



# IFRS Consolidated Financial Statements

December 2025





Saleh, Barsoum & Abdel Aziz

Grant Thornton

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Commercial International Bank – Egypt – CIB S.A.E

Report on the Audit of the IFRS Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Commercial International Bank – Egypt – CIB S.A.E "the Bank" and its subsidiaries "the Group", which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other Matters

The bank has prepared, for local reporting and regulatory purposes, a statutory set of financial statements in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt. These statutory financial statements are separate from the accompanying financial statements, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) to comply with the bank's obligations under the London Stock Exchange Listing Rules. These IFRS financial statements are not the statutory financial statements and all references to "financial statements" in this report relate solely to these IFRS financial statements. Our audit opinion does not extend to the statutory consolidated and separate financial statements prepared to fulfil statutory requirements.

The consolidated financial statements of the Group for year ended December 31, 2024, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) were audited by another auditor who expressed an unmodified opinion on those statements on February 18, 2025.

**Report on the Audit of the Consolidated Financial Statements (Continued)**

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<b>Expected credit losses related to loans and advances</b>	
<p>As disclosed in Note 17 to the consolidated financial statements, loans and advances reached EGP 507,954 million as at 31 December 2025 representing 35.1% of total assets. The expected credit loss (ECL) allowance related to these loans and advances reached EGP 34,688 million as at that date. The significance of these amounts highlights the importance of accurately estimating credit risk associated with them.</p> <p>Under IFRS 9, the group is required to recognize Expected Credit Losses (ECL) using a forward-looking approach that incorporates complex modelling techniques and significant management judgement. The ECL estimation process involves assumptions and judgements relating to the determination of the Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and the application of forward-looking macroeconomic scenarios.</p> <p>During the year, the Group completed a recalibration of its corporate PD model, the impact of which is material to the consolidated financial statements. This calibration exercise involved substantial management judgement and the application of new assumptions. The recalibrated model was also subject to independent external validation.</p> <p>Management also exercises judgement in assessing whether there has been a Significant Increase in Credit Risk (SICR) since initial recognition, which determines the classification of exposures into Stage 1, Stage 2 or Stage 3. This staging process requires evaluating both qualitative and quantitative indicators including days past due, changes in credit ratings, and borrower-specific risk factors.</p> <p>Further, management recorded judgmental ECL overlays to reflect risks and conditions not fully captured by the models. These overlays involve significant judgement and can materially influence the ECL recognized in the consolidated financial statements.</p> <p>The magnitude of the judgements described above, combined with the complexity of the ECL estimation process, makes this area a key audit matter.</p> <p>Refer to Note 2.8 to the consolidated financial statements for the accounting policies applied in determining ECL; Note 2.6 for significant accounting judgements, estimates and assumptions, and to Note 34.1 for the Bank's credit risk management disclosures.</p>	<p><b><u>Our audit procedures included the following, among others:</u></b></p> <p>We obtained an understanding of the of the Group's key credit processes, including granting, booking, and the process of estimation of ECL and assessed the design and tested the operating effectiveness of the relevant controls established by the Group;</p> <p>We tested the completeness and accuracy of the data used in the calculation of ECL for loans and advances;</p> <p>For a sample of exposures, we tested the appropriateness of the Group's application of the staging criteria, including the basis for movement between stages;</p> <p>We involved our internal experts in assessing the following areas:</p> <ul style="list-style-type: none"> <li>• Evaluating the Group's impairment policy in the context of its compliance with the requirements of IFRS 9;</li> <li>• Reasonableness and appropriateness of ECL modelling methodology and assumptions used in calculations of the PD, LGD, and EAD, including the recalibration of the corporate PD model; and</li> <li>• The appropriateness of the macro-economic variables, multiple economic scenarios chosen and scenario weightings;</li> <li>• For a sample of exposures, testing the mathematical accuracy and appropriateness of discounting in the ECL calculation.</li> </ul> <p>We considered the process of the independent external validation of the recalibrated corporate PD model and its impact on the results of the impairment estimate;</p> <p>For a sample of exposures, we evaluated the reasonableness of Management's assumptions used in judgmental adjustments (ECL overlays); and</p> <p>We assessed the adequacy of disclosures in the financial statements in relation to compliance with IFRS 9.</p>



## **Report on the Audit of the Consolidated Financial Statements (Continued)**

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Saleh, Barsoum & Abdel Aziz

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- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

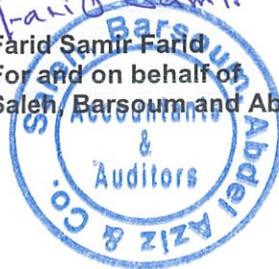
We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Cairo, February 9, 2026

  
Farid Samir Farid  
For and on behalf of  
Saleh, Barsoum and Abdel Aziz – Grant Thornton Egypt



## Consolidated Income Statement for the Year Ended December 31, 2025

	Notes	Dec. 31, 2025	Dec. 31, 2024
Interest revenue calculated using the effective interest method other interest and similar income		211,600,177	182,735,474
Interest expense calculated using the effective interest method other interest and similar expense		(104,121,746)	(91,751,450)
<b>Net interest income</b>	<b>3</b>	<b>107,478,431</b>	<b>90,984,024</b>
Fee and commission income		16,036,009	12,813,876
Fee and commission expense		(6,816,966)	(5,728,656)
<b>Net fee and commission income</b>	<b>4</b>	<b>9,219,043</b>	<b>7,085,220</b>
Dividend income	5	216,273	195,047
Net trading income	6	1,523,649	20,470,230
Gain on investments	21	775,841	459,337
Administrative expenses	7	(24,692,107)	(19,952,958)
Other operating income (expenses)	8	(1,533,040)	(22,323,778)
Net impairment Released (charge)	9	11,804,786	(5,401,308)
Bank's share in the profit and (loss) of associates	12	10,512	(17,786)
<b>Profit before income tax from continuing operations</b>		<b>104,803,388</b>	<b>71,498,028</b>
Income tax expense	10	(29,323,206)	(21,878,946)
<b>Net profit for the year</b>		<b>75,480,182</b>	<b>49,619,082</b>
<b>Attributable to:</b>			
Equity holders of the parent		75,460,219	49,558,744
Non-controlling interest		19,963	60,338
<b>Net profit for the year</b>		<b>75,480,182</b>	<b>49,619,082</b>
<b>Earnings per share</b>			
<b>Equity shareholders of the parent for the year:</b>	<b>11</b>		
Basic earnings per share		22.34	14.67
Diluted earnings per share		22.10	14.51

The accompanying notes from 1 to 46 form an integral part of these consolidated financial statements.  
Refer note 45 for changes to comparative figures.

**Islam Zekry**  
 Group CFO & Executive Board Member  
 9-Feb-2026

**Hisham Ezz Al-Arab**  
 CEO & Executive Board Member  
 9-Feb-2026

## Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2025

	Dec. 31, 2025	Dec. 31, 2024
<b>Profit for the year</b>	<b>75,480,182</b>	<b>49,619,082</b>
<b>Other comprehensive income that will not be reclassified to the income statement:</b>		
Change in fair value of equity instruments measured at fair value through comprehensive income	503,643	473,294
Deferred Tax impact for investments that will not be reclassified to P&L	(96,248)	(15,674)
<b>Other comprehensive income that will be reclassified to the income statement:</b>		
Change in fair value of financial assets measured at fair value through comprehensive income	10,758,425	9,242,129
Reclassification to consolidated income statement	(498,433)	(459,337)
Cumulative foreign currencies translation differences	(295,691)	989,367
Deferred Tax impact for investments that may be reclassified to P&L	(615,506)	(654,214)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(40,145)	936,949
<b>Total comprehensive income for the year, net of tax</b>	<b>85,196,227</b>	<b>60,131,596</b>
<b>Attributable to:</b>		
Equity holders of the parent	85,062,367	60,071,258
Non-controlling interest	133,860	60,338
<b>Total comprehensive income for the year, net of tax</b>	<b>85,196,227</b>	<b>60,131,596</b>

## Consolidated Statement of Financial Position as at December 31, 2025

	Notes	Dec. 31, 2025	Dec. 31, 2024
<b>Assets</b>			
Cash and cash equivalents	13	20,002,406	21,752,997
Balances at the central bank	14	68,874,046	114,778,023
Due from banks	15	135,236,549	270,829,834
Loans and advances to banks, net	16	34,440,770	9,555,410
Loans and advances to customers, net	17	507,953,766	343,542,674
Financial Assets at fair value through profit or loss	20	3,173,539	380,769
Derivative financial instruments	18	620,349	819,711
Financial Assets at fair value through Other comprehensive income	20	373,747,694	234,694,966
Financial Assets at amortized cost	20	236,672,175	168,118,219
Right of use assets	24	2,469,076	1,301,850
Investments in associates	22	45,210	98,193
Non-current-assets held for sale	43	182,827	-
Other assets	23	54,040,912	44,282,773
Deferred tax assets	10.2	2,545,498	2,685,330
Property and equipment	24	5,481,682	3,997,929
<b>Total assets</b>		<b>1,445,486,499</b>	<b>1,216,838,678</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks	25	3,353,746	2,034,885
Due to customers	26	1,110,395,693	972,595,958
Lease liabilities	24	2,526,481	1,425,604
Derivative financial instruments	18	137,802	100,571
Non-current-liabilities held for sale	44	53,860	1,397
Issued debt instruments	19	4,761,558	5,067,781
Other liabilities	28	33,144,838	27,725,569
Current Tax liability		20,570,313	18,327,968
Other loans	27	30,471,499	23,962,389
Provisions	29	15,644,651	18,623,634
<b>Total liabilities</b>		<b>1,221,060,441</b>	<b>1,069,865,756</b>
<b>Equity attributable to equity holders of parent</b>			
Issued and paid in capital	30	33,779,361	30,431,580
Reserves	31	105,020,603	62,899,966
Reserve for employee stock ownership plan (ESOP)	31.9	2,343,532	1,868,235
Retained earnings	31.8	83,254,686	51,590,097
<b>Total equity attributable to equity holders of the parent</b>		<b>224,398,182</b>	<b>146,789,878</b>
Total equity attributable to non-controlling interest	39	27,876	183,044
<b>Total equity</b>		<b>224,426,058</b>	<b>146,972,922</b>
<b>Total liabilities and equity</b>		<b>1,445,486,499</b>	<b>1,216,838,678</b>

The accompanying notes from 1 to 46 form an integral part of these consolidated financial statements.

**Islam Zekry**  
 Group CFO & Executive Board Member  
 9-Feb-2026

**Hisham Ezz Al-Arab**  
 CEO & Executive Board Member  
 9-Feb-2026

### Consolidated statement of changes in equity for the year ended December 31, 2025

Dec. 31, 2025	<u>Issued and paid-up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Special reserve</u>	<u>Reserve for transactions under common control</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders' Equity</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Beginning balance</b>	30,431,580	6,208,674	62,422,792	1,550,906	-	(670,972)	22,818	(7,789,896)	17,924	51,590,097	1,868,235	1,137,720	146,789,878	183,044	146,972,922
<b>Total comprehensive income net of tax:</b>															
Net profit of the year	-	-	-	-	-	-	-	-	-	75,460,219	-	-	75,460,219	19,963	75,480,182
Transferred to general risk reserve	-	-	-	26,186	-	-	-	-	-	(26,186)	-	-	-	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	-	9,937,984	-	-	-	-	9,937,984	113,897	10,051,881
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	-	(2,628)	2,628	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	-	(40,145)	-	-	-	-	(40,145)	-	(40,145)
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	-	(295,691)	(295,691)	-	(295,691)
<b>Total comprehensive income</b>	-	-	-	26,186	-	-	-	9,897,839	(2,628)	75,436,661	-	(295,691)	85,062,367	133,860	85,196,227
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	(111,370)	-	111,370	-	-	-	-	-
Transferred to reserves	-	2,771,284	19,758,610	-	-	-	2,246	-	-	(21,744,828)	(787,312)	-	-	-	-
Transferred from net profit to special reserve	-	-	-	-	13,145,012	-	-	-	-	(13,145,012)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(8,993,602)	-	-	(8,993,602)	(289,028)	(9,282,630)
Cost of employee's stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	-	1,262,609	-	1,262,609	-	1,262,609
Capital increase	3,347,781	-	(3,070,851)	-	-	-	-	-	-	-	-	-	276,930	-	276,930
<b>Balance at the end of the year</b>	33,779,361	8,979,958	79,110,551	1,577,092	13,145,012	(670,972)	25,064	1,996,573	15,296	83,254,686	2,343,532	842,029	224,398,182	27,876	224,426,058

### Consolidated statement of changes in equity for the year ended December 31, 2024

Dec. 31, 2024	<u>Issued and paid-up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Special reserve</u>	<u>Reserve for transactions under common control</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders' Equity</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Beginning balance</b>	30,195,010	4,770,354	39,840,707	1,550,906	-	(670,972)	21,155	(17,313,043)	15,230	27,442,585	1,486,010	148,353	87,486,295	160,073	87,646,368
<b>Total comprehensive income net of tax:</b>															
Net profit of the year	-	-	-	-	-	-	-	-	-	49,558,744	-	-	49,558,744	60,338	49,619,082
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	(370,224)	-	-	-	-	(370,224)	-	(370,224)
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	-	8,956,422	-	-	-	-	8,956,422	-	8,956,422
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	-	2,694	(2,694)	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	-	936,949	-	-	-	-	936,949	-	936,949
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	-	989,367	989,367	-	989,367
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	9,523,147	2,694	49,556,050	-	989,367	60,071,258	60,338	60,131,596
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	370,224	-	-	370,224	-	370,224
Transferred to reserves	-	1,438,320	22,582,085	-	-	-	1,663	-	-	(23,398,943)	(623,125)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(2,379,819)	-	-	(2,379,819)	(37,367)	(2,417,186)
Cost of employee's stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	-	1,005,350	-	1,005,350	-	1,005,350
Capital increase	236,570	-	-	-	-	-	-	-	-	-	-	-	236,570	-	236,570
<b>Balance at the end of the year</b>	30,431,580	6,208,674	62,422,792	1,550,906	-	(670,972)	22,818	(7,789,896)	17,924	51,590,097	1,868,235	1,137,720	146,789,878	183,044	146,972,922

## Consolidated Statement of Cash Flow for the Year Ended December 31, 2025

<i>Notes</i>	Dec. 31, 2025	Dec. 31, 2024
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	<b>104,803,388</b>	<b>71,498,028</b>
<b>Adjustments to reconcile profits to net cash provided by operating activities</b>		
Fixed assets depreciation	2,307,297	1,414,920
Impairment charge for credit losses (Loans and advances to customers)	(9,101,206)	4,768,107
Net charge/release for other provisions	(2,893,591)	3,363,525
Impairment release/charge for credit losses (due from banks)	137,399	(341)
Impairment release/charge for credit losses (financial investments)	146,649	(243,947)
Impairment release/charge for other assets	-	37,939
Exchange revaluation differences for financial assets at fair value through OCI and AC	5,137,808	(21,026,044)
Utilization of other provisions	(7,467)	(9,586)
Revaluation differences impairment charge for due from banks	(8,542)	2,008
Exchange revaluation differences of other provisions	(77,925)	4,173,699
Revaluation differences impairment charge for Financial Assets at Amortized cost	(18,527)	119,504
Profits from selling property, plant and equipment	(13,005)	(2,246)
Profits/losses from selling financial investments at fair value through OCI	(498,433)	(459,337)
Revaluation differences impairment charge for Financial Assets at Fair value through OCI	(242,624)	1,329,905
Shares based payments	1,262,609	1,005,350
Profits/losses from selling investments in associates	(277,408)	-
Net share of results of associates	(10,512)	17,786
	<b>100,645,910</b>	<b>65,989,270</b>
<b>Change in:</b>		
Due from banks	98,091,341	(111,192,809)
Financial assets at fair value through profit or loss	(2,792,770)	(74,394)
Derivative financial instruments	(88,654)	490,593
Loans and advances to banks and customers	(180,420,385)	(122,049,597)
Other assets	(5,289,420)	(22,078,200)
Non-current assets held for sale	(182,827)	-
Non-current liabilities held for sale	52,463	524
Due to banks	1,318,861	(10,423,118)
Due to customers	137,799,735	295,358,479
Current income tax obligations paid	(27,080,861)	(5,220,965)
Other liabilities	7,489,703	5,788,117
<b>Net cash generated from operating activities</b>	<b>129,543,096</b>	<b>96,587,900</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investments in associates	339,920	11,956
Payments for purchases of property, equipment and branches construction	(7,930,273)	(6,707,018)
Proceeds from selling property and equipment	13,005	2,246
Proceeds from redemption of financial assets at amortized cost	21,689,390	2,028,180
Payments for purchases of financial assets at amortized cost	(90,488,312)	(129,153,136)
Payments for purchases of financial assets at fair value through OCI	(263,771,830)	(113,445,585)
Proceeds from selling financial assets at fair value through OCI	127,867,188	140,381,225
<b>Net cash generated from (used in) investing activities</b>	<b>(212,280,912)</b>	<b>(106,882,132)</b>

## Consolidated Statement of Cash Flow for the Year Ended December 31, 2025 (Cont.)

	<i>Notes</i>	Dec. 31, 2025	Dec. 31, 2024
<b>Cash flow from financing activities</b>			
<b>Other loans</b>		<b>6,509,110</b>	11,478,482
Other loans - new loans obtained in the year		8,701,546	3,835,016
Other loans - loans repaid in the year		(789,099)	(243,015)
Other loans - movement in foreign exchange rate		(1,403,337)	7,886,481
Dividends		(9,282,630)	(2,379,819)
Issued debt instruments		(306,223)	1,994,432
Cash payments for lease (principal and interest)		(391,907)	(501,724)
Capital increase		276,930	236,570
<b>Net cash generated from (used in) financing activities</b>		<b>(3,194,720)</b>	<b>10,827,941</b>
<b>Net increase (decrease) in cash and cash equivalent during the year</b>			
		<b>(85,932,536)</b>	533,709
Beginning balance of cash and cash equivalent		226,475,092	225,941,383
<b>Cash and cash equivalent at the end of the year</b>		<b>140,542,556</b>	<b>226,475,092</b>
<b>Cash and cash equivalent at the end of the year</b>			
Cash and cash equivalents	<i>13</i>	20,002,406	21,752,997
Due from banks with maturities of 3 months or less	<i>15</i>	120,525,563	203,103,430
Treasury bills and other governmental notes with maturities of three months or less		14,587	1,618,665
<b>Total cash and cash equivalent</b>	<i>32</i>	<b>140,542,556</b>	<b>226,475,092</b>

## Notes to the Consolidated Financial Statements for the year Ended December 31, 2025

### 1. Corporate Information

The Commercial International Bank-Egypt (CIB) S.A.E. provides Retail, Corporate and Investment banking services in various parts of Egypt through the operation of 204 branches, 10 units, and 8,665 employees as at the date of the statement of financial position.

The Commercial International Bank-Egypt (CIB) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974 amended by law no. 32/1977 and its amendments. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza, Cairo, Egypt. The Bank is listed on the Egyptian stock exchange and has GDRs (Global Depository Receipt) in London Stock Exchange.

The bank owns investments in subsidiaries as in Commercial International Bank (CIB) Kenya Limited with a stake of 100%, Commercial international for finance with 99.98% stake and Commercial International Africa Holding Company with a 100% stake.

The financial statements have been approved by the board of directors on the 9<sup>th</sup> of February 2026.

### 2. Accounting Policies

#### 2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

#### 2.2 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial investments at FVOCI, derivative financial instruments, financial assets and liabilities classified as trading or held at fair value through profit or loss, all of which have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The consolidated financial statements are presented in Egyptian pound (EGP) which is the functional currency of the bank.

The Bank has prepared its consolidated financial statement on the basis that it will continue to operate as a going concern.

All amounts are rounded to the nearest thousands unless otherwise indicated.

#### 2.3 Presentation of Financial Statements

The Bank presents its statement of financial position in order of liquidity based on the Bank's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is present in note 33.3.5.

#### 2.4 Changes in accounting policies and disclosures

##### 2.4.1 New and amended standards

The following amendment to IAS 21 became effective for annual periods beginning on 1 January 2025:

##### Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

This amendment did not have a material impact on the Bank's financial statements.

##### 2.4.2 Standards issued but not yet effective

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Bank to determine the impact on the consolidated financial statements.

##### 2.4.2.1 Amendments to the Classification and Measurement of Financial Instruments – ( IFRS 9 and IFRS 7)

On 30 May 2024, the IASB issued *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments* (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and liabilities

- A clarification that a financial liability is derecognized on the ‘settlement date’ and introduce an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026.

#### **2.4.2.2 Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature-dependent Electricity*. The amendments apply only to contracts that reference nature-dependent electricity. The amendments:

- Clarify the application of the ‘own-use’ requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Bank does not expect that the amendments will have a material impact on its financial statements.

#### **2.4.2.3 IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as Good Bank, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The Bank is currently working to identify the impacts the standard will have on the primary financial statements and notes to the financial statements. The Bank considers its main business activities to include the provision of financing to customers and investing in financial assets. In accordance with IFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing categories.

### **2.5 Basis of consolidation**

The consolidated financial statements are comprised of the financial statements of the bank and its subsidiaries as of 31 December 2025. Control is achieved when the bank is exposed, or has rights, to variable returns from its involvement with subsidiaries and has the ability to affect those returns through its power over the subsidiary’s companies. The Bank controls its subsidiaries in the cases of the following:

### **Power**

Has power over its subsidiaries when the bank has existing rights that give it the current ability to direct the relevant activities, the activities that significantly affect the subsidiaries' returns.

- Power arises from rights. Assessing power is straightforward, as such when power over subsidiaries is obtained directly and solely from the voting rights granted by equity instruments such as shares, and can be assessed by considering the voting rights from those shareholdings.
- The current ability to direct the relevant activities has power even if its rights to direct have yet to be exercised.
- Have power over subsidiaries even if other entities have existing rights that give them the current ability to participate in the direction of the relevant activities.

### **Returns**

The bank is exposed, or has rights, to variable returns from its involvement with the subsidiaries when the bank's returns from its involvement have the potential to vary as a result of the subsidiaries' performance. The bank's returns can be only positive, only negative or both positive and negative.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Statement of Comprehensive Income from the date the Bank gains control until the date the Bank ceases to control the subsidiary. Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Bank's accounting policies. All intra-bank assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Bank are eliminated in full upon consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Bank loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Bank had directly disposed of the related assets or liabilities.

### **Loss of Control**

When the Bank loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### **Transactions Eliminated on Consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### **Investment in Associates**

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Significant influence is the power to participate in the decision-making of financial and operating policies of the investee, but is not in control or joint control over those policies.

Investments in associates are accounted for using the equity method of accounting. This method requires, the initial recognition of the investment at cost, and any increases or decreases are reflected in the carrying amount to recognize the investors share of the profit or loss of the investee after the date of acquisition.

The Bank determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Bank calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/ (loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the bank and its associate are recognized in the bank's financial statements only to the extent of unrelated investor's interests in the associates. Cumulative foreign currencies translation differences are recognized at statement of other comprehensive income. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## **2.6 Significant Accounting Judgements, Estimates and Assumptions**

The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgement made by management in applying the entity's accounting policies are clearly differentiated between judgements that have significant risk of resulting in a material adjustment to the carrying amount within the next financial year.

### **Financial instruments**

**Business model assessment.** The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest requires judgement.

### **ECL measurement**

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as forward-looking of macro-economic indicators. The bank regularly reviews and validates the models and inputs to the models to reduce any gaps between expected credit loss estimates and actual credit loss experience.

The bank used forward-looking information for measurement of ECL, primarily an outcome of macro-economic forecasting published by the government, international reputable organization and rating agencies. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were interest rate, GDP growth rate, Inflation rate and foreign currency index. In addition to these assumptions, liquidity standard M2 and foreign direct investment have been used for the retail facilities portfolio.

As a minimum the bank considers three forward looking macro-economic scenarios, and are assessed on a quarterly basis.

The determination of expected credit losses ("ECL") under IFRS 9 involves significant judgement, particularly in estimating Through the Cycle ("TTC") Probability of Default ("PD"). The Bank applies a credit expert adjustment within the TTC PD models to capture risks and forward looking information not fully reflected in the statistical models, consistent with IFRS 9's requirement to use reasonable and supportable information available without undue cost or effort. These adjustments are subject to ongoing monitoring and governance processes.

During the year, improvements in economic conditions compared with prior years, together with the availability of enhanced data, necessitated a recalibration of the TTC PD models. This exercise incorporated updated information and revisited the embedded overlay to reflect the improved economic environment, ensuring continued alignment with IFRS 9. Management regularly reviews these adjustments and updates them as new information becomes available. The recalibration impact on consolidated income statement is 13.1 BEGP, note 17 provides more details on the recalibration results.

Expected credit loss (“ECL”) models may not fully capture certain borrower specific characteristics or industry specific risk factors that become evident at the reporting date. Accordingly, the Group applies post model adjustments (“PMAs”) or overlays where management determines that additional judgement is required to reflect such factors that are not adequately represented in the modelled outputs. These adjustments are subject to the Group’s established governance framework, including regular review and approval by the relevant risk committees, and are reassessed each reporting period based on updated information.

As at 31 December 2025, PMAs amounted to 23.2 BEGP (31 December 2024: 14 BEGP).

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP 1,165,838 thousand as of 31 December 2025 (31 December 2024: by EGP 2,868,724 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP 1,165,838 thousand as of 31 December 2025 (31 December 2024: by EGP 2,868,724 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP 1,144,190 thousand at 31 December 2025 (31 December 2024: increase or decrease of EGP 3,462,531 thousand)

Table summarizing forward looking macro-economic indicators included in each scenario:

**CIB Applied Indicators As of 31 December 2025**

Indicator	2025	2026	2027	2028	2029
<b>GDP growth %</b>	4.1	4.5	5.0	4.9	4.4
<b>Inflation %</b>	14.0	11.2	9.1	6.8	6.5
<b>FX</b>	47.45	49.24	50.23	51.23	52.26
<b>Interest Rate (IR) %</b>	20.00	15.00	12.00	10.00	8.25
<b>M2 Money Supply %</b>	22.7	12.3	10.7	10.6	10.5
<b>FDI %</b>	(73.5)	27.9	8.3	8.3	8.2

**CIB Applied Indicators As of 31 December 2024**

Indicator	2024	2025	2026	2027	2028
<b>GDP growth %</b>	3.50	3.70	4.00	4.00	4.00
<b>Inflation %</b>	25.00	18.00	13.10	9.10	6.50
<b>FX</b>	50.63	53.22	50.79	50.92	51.94
<b>Interest Rate (IR) %</b>	28.25	22.25	15.25	9.25	8.25
<b>M2 Money Supply %</b>	26.0	27.4	17.2	11.1	11.1
<b>FDI %</b>	840	(72.5)	13.6	12.0	17.9

**Significant increase in credit risk (“SICR”)**

In order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk using, Transition in risk ratings, delinquency status, number of defaulted days and restructured status resulting from credit risk in addition to watch list. The bank considers all information about actual or estimated negative changes at working environment, financial and economic circumstances and regulatory jurisdiction which may affect negatively the ability of the borrower to settle outstanding’s dues. The bank identifies behavioural indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

**Determination of Fair Value**

The Bank’s Risk Committee determines the policies and procedures for both recurring fair value measurement, such as unquoted financial investment at FVOCI, and for non-recurring measurement, such as foreclosed assets in settlement of non-performing loans.

External valuator is involved for valuation of significant assets, such as properties and financial investment at FVOCI. Involvement of an external evaluator is decided upon annually by the Risk Committee after discussions and approvals by the Company’s Audit committee are obtained. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. evaluator is normally rotated every three years. The Risk committee decides, after discussions with the Bank’s external evaluator, which valuation techniques and inputs to use for each case.

At each reporting date, “The Direct Investment Exposure Unit” operating under “Investment Committee” analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the bank’s accounting policies. For this analysis, the Risk Committee verifies the major inputs applied in the latest valuation by agreeing the information in the computation of the valuation to contracts and other relevant documents. The Risk Committee, in conjunction with the Bank’s external evaluator, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy Note 33.4.

## **2.7 Material Accounting Policies**

### **2.7.1 Foreign currency translation**

The consolidated financial statements are presented in Egyptian Pounds (EGP). For each entity in the group, the Bank determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Bank uses the direct method of consolidation.

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to the income statement. Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

On consolidation, the assets and liabilities in foreign operations are translated into Egyptian Pounds at the spot rate of exchange prevailing at the reporting date and their income statements are translated at spot exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

### **2.7.2 Financial instruments**

#### **2.7.2.1 Financial instruments – initial recognition**

##### **Date of recognition**

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers’ accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

##### **Initial measurement of financial instruments**

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. On initial recognition, financial assets and financial liabilities at fair value through profit or loss are initially measured at their fair value. The initial measurement of other financial instruments is based on their fair value, but adjusted in respect of any transaction costs that are incremental and directly attributable to the acquisition or issue of the financial instrument. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

##### **Day 1 profit or loss**

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognizes the difference between the transaction price and fair value in the consolidated income statement. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred. The deferred amounts are recognised in profit or loss when there is a change in a factor (including time) that market participants would take into account when pricing the asset or liability. On this basis, the Bank has assessed that amortising the deferred amount on a straight-line basis is appropriate. Any outstanding amount is immediately recognised in profit or loss when the instrument is derecognised or when the input(s) becomes observable.

##### **Measurement categories of financial assets and liabilities**

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset’s contractual terms, measured at either: Amortised cost, FVOCI, FVPL

The Bank classifies and measures its derivative and trading portfolio at FVPL. The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies. Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

**Determination of fair value**

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

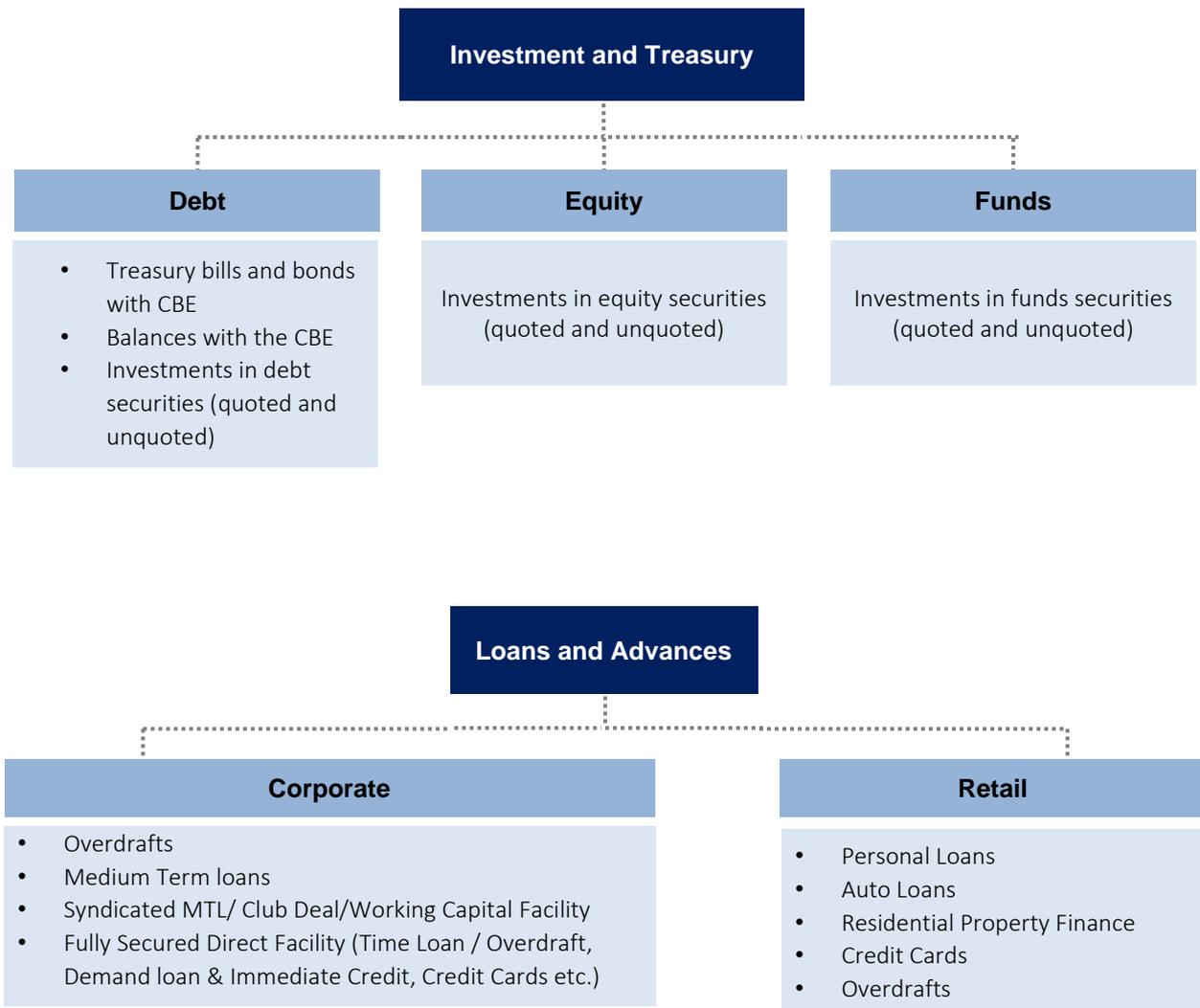
Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument’s life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

The fair value of financial instruments is generally measured on an individual basis. However, in cases where the Bank manages a group of financial assets and liabilities on the basis of its net market or credit risk exposure, the fair value of the group of financial instruments is measured on a net basis, however the underlying financial assets and liabilities are presented separately in the financial statements, unless they satisfy the offsetting criteria in IFRS accounting standards.

**2.7.2.2 Financial assets and liabilities per financial statement line**

The following diagram depicts the bank business segment and the financial asset portfolio being managed by each segment:



**Due from banks, Loans and advances to customers, financial investments at amortised cost**

The Bank measures Due from banks, Loans and advances to customers and other financial investments at amortised cost only if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding the details of these conditions are outlined below.

**Business model assessment**

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected). The expected frequency, value and timing of sales are also important aspects of the Bank’s assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

**The SPPI test**

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

**Levels of SPPI Assessment**

Generally, SPPI test is performed at an instrument level. Details of the assessment vary between debt securities and loan products as discussed further below:

**Loan Facilities**

**Standard Loan Contracts**

Standard loan contracts are based on master agreements where contracts for facilities include pre-defined contractual agreements. Lending terms may vary from obligor to obligor depending on the lending risk (e.g., interest rate, frequency, tenor, etc.)

Facilities under a standard loan contract is expected to have consistent cash flow features and characteristics. Therefore, assessment is performed on the master agreement to determine whether IFRS 9 criteria on cash flow characteristics are met. Rest of individual contracts within the product portfolio is presumed to be covered by the SPPI testing of single master agreement.

Bank has controls in place to consistently comply with the Bank’s credit documentation requirements. Any deviation shall be reviewed and cleared by the Bank’s legal unit.

**New Credit Product – Standard Loan Contracts**

Proposal for new credit products shall include full details of the offering such as credit criteria, pricing, legal terms and expected risk adjusted returns. In consultation with Finance, proposing business unit shall perform SPPI test on new credit product as per the requirement of IFRS 9. Clearance on SPPI testing is needed to be able to classify new credit products in accordance with IFRS 9 classification and measurement. Results of the SPPI testing will be communicated to Finance department prior to launch to ensure that the transactions under this product are properly accounted in the books.

### Non-Standard Loan Contracts

Non-standard loan contracts are not based on master agreement where credit terms vary from one obligor to another. The contractual cash flow characteristics are expected to be different from each other, thus, SPPI testing is performed at instrument level.

The business unit managing a non-standard loan contract shall perform the SPPI testing, in consultation with Finance. Results of the SPPI testing will be forwarded to Finance for the assessment of accounting treatment in the books.

### Restructuring and Modification of Financial Assets

Some loan facilities are subject to restructuring or modification of credit terms. In such cases, modified or restructured terms of a credit facility shall be assessed for contractual cash flow characteristics and features.

The business unit managing the restructured or modified products shall perform the SPPI test with consultation with the Finance department, if needed. Results of the SPPI testing will be forwarded to Finance for the assessment of accounting impact in the financial statements.

### Bonds and Other Debt Instruments

As part of the Bank's activity to maximize return on its assets, the Investment and Treasury department will attempt to find profitable investments within the acceptable risk limit.

The investment proposal should include the result of SPPI testing along with the business model objective for which the Bank would intend to manage the investment in following cases:

- Prior to approval to purchase
- Upon restructuring
- Modification of an investment

The business unit managing the investment shall perform the SPPI testing. Results shall be forwarded to Finance department for the assessment of accounting impact on the financial statements.

#### **i. Derivatives recorded at fair value through profit or loss**

A derivative is a financial instrument or other contract with all three of the following characteristics:

Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

It is settled at a future date.

The Bank may enter into derivative transactions with various counterparties. These include interest rate swaps, credit default swaps, cross-currency swaps and forward foreign exchange contracts. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in income statement unless hedge accounting is applied.

#### **ii. Financial assets or financial liabilities held for trading**

The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in the income statement. Included in this classification are debt securities and equities.

#### **iii. Debt instruments at FVOCI**

The Bank classifies debt instruments at FVOCI when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets

The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in income statement in the same manner as for financial assets measured at amortised cost.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to income statement.

**iv. Equity instruments at FVOCI**

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to income statement. Dividends are recognised in income statement when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

**v. Debt issued and other borrowed funds**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

**vi. Financial assets at fair value through profit or loss**

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in the income statement. Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate.

**vii. Financial guarantees, letters of credit and undrawn loan commitments**

The Bank issues financial guarantees, letters of credit and loan commitments. Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and an ECL allowance. The premium received is recognised in the income statement in fees and commission income on a straight-line basis over the life of the guarantee. Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements. The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position.

**2.7.3 Reclassification of financial assets and liabilities**

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

**2.7.4 Modification of financial assets and liabilities**

**I. Modification of financial assets**

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Bank performs an assessment to determine whether the modifications result in the derecognition of that financial asset. For financial assets, this assessment is based on qualitative factors. When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the change in currency of the loan; introduction of an equity feature; change in counterparty; whether the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, as set out below, then it does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

**II. Modification of financial liabilities**

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognised immediately in the income statement. For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

### **2.7.5 Derecognition of financial assets and liabilities**

Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated Credit-Impaired financial assets.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the income statement.

### **2.7.6 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position except when the netting criteria under IFRS are met.

## **2.8 Impairment of financial assets**

### **i. Overview of the ECL principles**

The Bank records an allowance for expected credit loss for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, all referred to as ‘financial instruments. Equity instruments are not subject to impairment under IFRS 9. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months’ expected credit losses (12mECL).

The Bank’s policies for determining if there has been a significant increase in credit risk are set out below, the 12mECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank’s policy for grouping financial assets measured on a collective basis is explained below.

### **ii. Significant Increase in Credit Risk (SICR)**

Corporate and Business Banking:

CIB will use the following indicators to identify any significant increase in credit risks. The occurrence of any one of the indicators should be considered as an indicator of SICR and consequently the related financial instrument will be classified as Stage 2 and will attract a lifetime ECL:

**Risk Ratings:** All facilities with internal rating of 7 (watch list) will be directly categorised in Stage 2 (absolute measure).

**Transition in Risk Ratings:** All facilities that have been downgraded at the reporting date by 2 or more grades: for facilities which were internally rated 2 to 4 at inception.

**Delinquency Status:** The facilities will be considered as SICR and will be moved to Stage 2 if the following conditions are prevailing:

Outstanding exposure (or related interest) is 30 days past due (“DPD”) at the reporting date irrespective of the rating OR;

**Industry:** Certain industries/sectors are considered high risk. If the following conditions prevail, the account will be categorized in stage 2.

Internal rating is 5 or 6 and Industry is classified as high risk, which will be determined and revised periodically.

**Restructured Status:** All facilities that have been restructured in the past period due to credit risk related factors

For corporate exposures and Business Banking, CIB will assess SICR on an individual assessment at a facility/instrument level but if any facility assessed as SICR or default all other facilities granted to one counterparty will be assessed as SICR or default (contagion).

For Consumer Banking, the Bank will determine SICR at both instrument level and collective basis. SICR can be assessed at a collective/portfolio level if common risk characteristics are shared. Any instruments that are assessed collectively must possess shared credit risk characteristics. This is to prevent significant increases in credit risk being obscured by aggregating instruments that have different risks. CIB's Consumer exposures are grouped into different segments by products (i.e., auto loan, personal loan etc.) and their employment status (self-employed, salaried etc.) for credit cards it is further segmented by limit buckets (Less than 10k and greater than 10K). CIB may also consider other segmentations if deemed to be significant.

### **iii. Staging**

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained above. Based on the above process, the Bank groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1: when loans have no any SICR factors the Bank recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 in addition to low credit expedients customers.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired (as outlined in Note 48.2.3.1.) The Bank records an allowance for the LTECL.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a derecognition of the financial asset.

### **iv. The calculation of ECL**

The Bank calculates ECL based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key risk parameters are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD.

When estimating the ECL, the Bank considers three scenarios (a base case, an upside, and a downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

### **v. Risk Parameters**

In the context of risk parameters, the key areas are addressed in the following:

The Bank's Internal Rating and PD Estimation Process

The Bank's independent Credit Risk Department operates a rating model. The Bank runs a separate model for its key portfolios in which its customers are rated from 1 to 10 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Where practical, they also build on information from external rating agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenario as appropriate.

### Exposure at Default

To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12m ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date, for Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Bank determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding to multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

### Loss Given Default Methodology

For corporate and investment banking financial instruments, LGD values are assessed by credit exposure and investment management and approved by the Board risk committee. The credit risk assessment is based on a standardized LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realized from any collateral held.

The Bank segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of losses in the group. LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

#### **vi. Loan commitments and letters of credit**

When estimating LTECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.

#### **vii. Financial guarantee contracts**

The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Bank estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by EIR. The calculation is made using a probability-weighting of the three scenarios. The ECL related to financial guarantee contracts are recognised within Provisions.

#### **viii. Debt instruments measured at fair value through OCI**

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to income statement. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

#### **ix. Forward looking information**

In its ECL models, the Bank relies on a broad range of forward-looking information as economic inputs, these are GDP growth rate, Inflation rate, Interest rate and foreign exchange indices for corporate banking in addition to M2 money supply and FDI for consumer banking.

#### **x. Default Definition for CIB**

The Bank has set the following definition for default:

**Days Past Due (DPD):** exposures (principal &/or interest) that have one or more instalment past due for 90 or more days for IB, BB and CB borrowers. This is consistent with the criteria set out by IFRS9 and existing practice of the Bank.

**Rating:** obligors rated 8 to 10 (applicable to both IB & BB LOB) in addition to facilities reaching 90 or more DPD. Rating criteria is only applicable for IB and BB large, medium and small borrowers.

Event of Default: obligor specific factors such as declaration of Bankruptcy by the borrower, death of borrower and any other credit factors deemed material. Similar credit factors are assessed and approved on case-by-case basis by the concerned approving body as per Line of Business.

Cross-Default: borrowers are classified as defaulted, when a default occurs under any of the extended facilities (default under one facility trigger default for all of the borrower's extended facilities).

Regulatory Default: If in the future, the local regulator prescribes the criteria of default for IFRS 9 purposes, the Bank will choose the criteria which is stricter of the criteria under this policy or regulatory purpose for defining default.

### **2.8.1 Sale and Repurchase Agreements**

Securities sold under agreements to repurchase at a specified future date are not derecognized from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR. When the counterparty has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its statement of financial position to indicate that they are pledged as collateral.

Conversely, securities purchased under agreements to resell at a specified future date are not recognized in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in net interest income and is accrued over the life of the agreement using the EIR.

### **2.8.2 Leases**

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Bank as a lessee**

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are subject to impairment in line with the Bank's policy on impairment of non-financial assets.

#### **Lease liabilities**

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

### **2.8.3 Impairment of Non-Financial Assets**

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or Cash Generating Unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss

was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

Impairment losses relating to goodwill are not reversed in future periods.

#### **2.8.4 Recognition of Income and Expenses**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

#### **2.8.5 Interest and Similar Income and Expense**

For all financial instruments measured at amortized cost, interest bearing financial assets classified as FVOCI, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or over the expected behavioral life, where appropriate, to the gross carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses, which include, but not limited to, transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and Interest and similar expense for financial liabilities.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

#### **2.8.6 Fee and Commission Income**

The Bank earns fee and commission income from a diverse range of services it provides to its customers.

Fee income can be divided into the following two categories:

Fee Income Earned from Services that are Provided Over a contract or service lifetime.

Fees earned for the provision of services are accrued and Recognized on a straight-line basis on a contract or a service lifetime. These fees include commission income and asset management, custody and other management and advisory fees.

Fee Income from Providing Transaction Services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

#### **2.8.7 Dividend Income**

Revenue is recognized when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

#### **2.8.8 Net Trading Income**

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading.

### **2.9 Segment analysis**

The Bank is divided into main business segments:

Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products

SME's – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products.

Investment banking – incorporating financial instruments Trading, structured financing, corporate leasing, and merger and acquisitions advice.

Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;

Transactions between the business segments are on normal commercial terms and conditions.

### 2.9.1 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months from acquisition, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

### 2.9.2 Property and Equipment

Property and equipment are stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are as follows:

<u>Asset Type</u>	<u>Useful Life</u>
Buildings	20 years.
Leasehold improvements	3 years,
Furniture and safes	3-5 years.
Air-conditioners	5 years
Vehicles	5 years
Computers and core systems	3-4 years
Fixtures and fittings	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Property and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other operating income in the income statement in the year the asset is derecognized.

### 2.9.3 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

These types of provisions are as follows, but not limited to (Legal claims, contingent and other claims).

### 2.9.4 Share-Based Payment Transactions

Employees (including senior executives) of the Bank receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-Settled Transactions

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date) the cumulative expense recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period is recorded in administrative expense and represents the movement in cumulative expense recognized as of the beginning and end of that period.

Where the terms of an equity-settled award are modified, the minimum expense recognized in administrative expense is the expense as if the terms had not been modified.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

### **2.9.5 The Bank's Contributions to the Employees' Social Insurance Fund**

Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obligated to pay towards the fund the contributions due for each month represented in the employer's share and the share of the insured and pay its obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees.

### **2.9.6 Taxes**

#### **2.9.6.1 Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the income statement.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **2.9.6.2 Deferred tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of debt instruments at fair value through OCI, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Bank also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity. The Bank only off-sets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Bank's intention to settle on a net basis.

### **2.9.7 Dividends on ordinary shares**

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Bank.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

### **2.9.8 Equity reserves**

The reserves recorded in equity on the Bank's statement of financial position include: Statutory reserves, business combination reserve, and fair value reserves which comprises:

- The cumulative net change in the fair value of debt instruments classified at FVOCI, less the allowance for ECL
- The cumulative net change in fair value of equity instruments at FVOCI
- Cash flow hedge reserve, which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge
- Foreign currency translation reserve, which is used to record exchange differences arising from the translation of the net investment in foreign operations, net of the effects of hedging.

### 3 . Net interest income

	Dec.31, 2025	Dec.31, 2024
<b>Interest revenue calculated using the effective interest method</b>		
<b>Other interest and similar income</b>		
- Banks	20,066,633	47,716,067
- Clients	94,424,365	63,529,846
<b>Total</b>	<b>114,490,998</b>	<b>111,245,913</b>
Treasury bills, bonds and other governmental notes	89,324,621	63,980,900
Debt instruments at fair value through OCI and AC	7,784,558	7,508,661
<b>Total</b>	<b>211,600,177</b>	<b>182,735,474</b>
<b>Interest expense calculated using the effective interest method</b>		
<b>Other interest and similar expense</b>		
- Banks	(9,112,525)	(10,195,894)
- Clients	(91,747,074)	(79,141,208)
<b>Total</b>	<b>(100,859,599)</b>	<b>(89,337,102)</b>
Repos	(14,908)	(19,188)
Finance expense related to financial lease contract	(221,200)	(80,198)
Other loans	(2,835,376)	(2,137,347)
Issued debt instruments	(190,663)	(177,615)
<b>Total</b>	<b>(104,121,746)</b>	<b>(91,751,450)</b>
<b>Net interest income</b>	<b>107,478,431</b>	<b>90,984,024</b>

### 4 . Net fee and commission income

	Dec.31, 2025	Dec.31, 2024
<b>Fee and commission income</b>		
Fee and commissions related to credit	5,356,905	4,695,486
Custody fee	680,063	755,738
Credit & Debit Card Fees	6,287,070	4,914,860
Other fee	3,711,971	2,447,792
<b>Total</b>	<b>16,036,009</b>	<b>12,813,876</b>
<b>Fee and commission expense</b>		
Credit & Debit Card Charges	(5,650,088)	(4,817,905)
Other fee paid	(1,166,878)	(910,751)
<b>Total</b>	<b>(6,816,966)</b>	<b>(5,728,656)</b>
<b>Net income from fee and commission</b>	<b>9,219,043</b>	<b>7,085,220</b>

### 5 . Dividend income

	Dec.31, 2025	Dec.31, 2024
Financial assets at fair value through OCI	216,273	195,047
<b>Total</b>	<b>216,273</b>	<b>195,047</b>

### 6 . Net trading income

	Dec.31, 2025	Dec.31, 2024
Profit from foreign exchange transactions	763,270	20,577,493
(Loss) from forward foreign exchange deals revaluation	(65,214)	(539,674)
Profit from interest rate swaps revaluation	298,041	21,150
Profit (Loss) from currency swap deals revaluation	90,008	(54,006)
Profit from financial assets at fair value through P&L	437,544	465,267
<b>Total</b>	<b>1,523,649</b>	<b>20,470,230</b>

## 7 . Administrative expenses

	Dec.31, 2025	Dec.31, 2024
<b>Staff costs</b>		
Wages and salaries	(7,134,524)	(6,239,931)
Social insurance	(293,966)	(288,575)
Other benefits	(7,595,930)	(6,145,185)
Stock option	(1,262,609)	(1,005,350)
Depreciation*	(2,264,888)	(1,308,234)
Maintenance	(740,296)	(722,725)
Premises & Vehicles improvements and maintenance	(451,365)	(319,697)
Internship expense	(182,078)	(157,346)
Board Meeting & Director's expense	(15,791)	(14,425)
Other administrative expenses	(4,750,660)	(3,751,490)
<b>Total</b>	<b>(24,692,107)</b>	<b>(19,952,958)</b>

\*Includes depreciation related to right of use Assets from lease contracts.

## 8 . Other operating income (expenses)

	Dec.31, 2025	Dec.31, 2024
Forex (losses) gains from non-trading assets and liabilities revaluation	1,375,154	(15,457,960)
Gains from selling property and equipment	13,005	2,246
Charges of other provisions	(94,037)	(2,523,388)
Care Service & Cash Trans. Expense	(568,582)	(387,386)
Regulatory Expense	(865,352)	(727,134)
Consultants	(341,532)	(139,779)
IT communications	(613,694)	(336,069)
Utilities	(227,779)	(251,274)
Other income (expenses)	(210,223)	(2,503,034)
<b>Total</b>	<b>(1,533,040)</b>	<b>(22,323,778)</b>

## 9 . Net impairment Released (charge)

	Dec.31, 2025	Dec.31, 2024
Impairment Released (charge) on loans, advances and banks	9,101,206	(4,768,107)
Impairment Released (charge) for off-balance sheet items	2,987,628	(877,489)
Impairment (charge) Released for due from banks	(137,399)	341
Impairment (charge) Released for financial investments	(146,649)	243,947
<b>Total</b>	<b>11,804,786</b>	<b>(5,401,308)</b>

## 10 . Income tax expense

### 10.1 . Adjustments to calculate the effective tax rate

	Dec.31, 2025	Dec.31, 2024
Profit before tax	104,803,388	71,498,028
Tax rate	22.5%	22.5%
<b>Income tax based on accounting profit</b>	<b>23,580,762</b>	<b>16,087,056</b>
<b>Add / (Deduct)</b>		
Non-deductible expenses	8,670,271	8,224,145
Tax exemptions	(19,099,995)	(11,825,018)
Withholding tax	16,172,168	9,392,763
<b>Income and Deferred tax</b>	<b>29,323,206</b>	<b>21,878,946</b>
<b>Effective tax rate</b>	<b>27.98%</b>	<b>30.60%</b>

**10.2 . Deferred tax assets (liabilities)**

Deferred tax assets and liabilities are attributable to the following:

	<u>Balance at 31 December 2025</u>					
	<u>Balance at 1 January 2025</u>	<u>Recognised in Consolidated Statement of Comprehensive Income</u>	<u>Recognised in Consolidated Income statement</u>	<u>Balance at 31 December 2025 per Consolidated Statement of Financial Position</u>	<u>Deferred tax Assets/Liabilities in Subsidiaries</u>	<u>Deferred tax Assets/Liabilities for the bank</u>
Fixed assets (difference between net book value and tax base cost)	(170,557)	-	(105,141)	(275,698)	(165)	(275,533)
Provisions (excluding loan loss, contingent liabilities and income tax provisions)	1,636,848	-	18,714	1,655,562	144	1,655,418
Change in fair value of investments through OCI	729,928	(711,754)	-	18,174	(15,681)	33,855
Other investments impairment	395,978	-	21,176	417,154	-	417,154
Other statement of financial position Revaluation	(782,267)	-	952,847	170,580	45,786	124,794
Reserve for employee stock ownership plan (ESOP)	420,352	-	106,943	527,295	-	527,295
Interest rate swaps revaluation	(4,759)	-	(62,300)	(67,059)	-	(67,059)
Forward foreign exchange deals revaluation	459,807	-	(360,317)	99,490	105,068	(5,578)
<b>Total Assets / (Liabilities)</b>	<b>2,685,330</b>	<b>(711,754)</b>	<b>571,922</b>	<b>2,545,498</b>	<b>135,152</b>	<b>2,410,346</b>

	<u>Balance at 31 December 2024</u>					
	<u>Balance at 1 January 2024</u>	<u>Recognised in Consolidated Statement of Comprehensive Income</u>	<u>Recognised in Consolidated Income statement</u>	<u>Balance at 31 December 2024 per Consolidated Statement of Financial Position</u>	<u>Deferred tax Assets/Liabilities in Subsidiaries</u>	<u>Deferred tax Assets/Liabilities for the bank</u>
Fixed assets (difference between net book value and tax base cost)	(83,567)	-	(86,990)	(170,557)	2,506	(173,063)
Provisions (excluding loan loss, contingent liabilities and income tax provisions)	782,907	-	853,941	1,636,848	(364)	1,637,212
Change in fair value of investments through OCI	1,399,815	(669,887)	-	729,928	(14,051)	743,979
Other investments impairment	395,978	-	-	395,978	-	395,978
Other statement of financial position Revaluation	(1,183,449)	-	401,182	(782,267)	33,707	(815,974)
Reserve for employee stock ownership plan (ESOP)	334,352	-	86,000	420,352	-	420,352
Interest rate swaps revaluation	(65,588)	-	60,829	(4,759)	-	(4,759)
Forward foreign exchange deals revaluation	104,782	-	355,025	459,807	326,229	133,578
<b>Total Assets / (Liabilities)</b>	<b>1,685,230</b>	<b>(669,887)</b>	<b>1,669,987</b>	<b>2,685,330</b>	<b>348,027</b>	<b>2,337,303</b>

**Recognition of deferred tax assets**

Recognition of deferred tax assets is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Group's entities will have future taxable profits against which these assets can be utilised.

**11 . Earnings per share**

	Dec.31, 2025	Dec.31, 2024
<b>(a) Basic earnings per share</b>		
(i) Profit attributable to ordinary shareholders (basic)		
<b>Net profit for the year attributable to equity holders of the bank</b>	<b>75,460,219</b>	<b>49,558,744</b>
(ii) Weighted - average number of ordinary shares (basic)		
Average number of shares	3,377,936	3,377,936
<b>Basic earnings per share</b>	<b>22.34</b>	<b>14.67</b>
<b>(b) Diluted earnings per share</b>		
(i) Profit attributable to ordinary shareholders (diluted)		
<b>Net profit for the year attributable to equity holders of the bank</b>	<b>75,460,219</b>	<b>49,558,744</b>
(ii) Weighted - average number of ordinary shares (diluted)		
Issued ordinary shares	3,377,936	3,377,936
Effect of ESOP program	36,823	36,823
Weighted - average number of ordinary shares diluted	3,414,759	3,414,759
<b>Basic earnings per share</b>	<b>22.10</b>	<b>14.51</b>

**12 . Bank's share in the profit and (loss) of associates**

	Dec.31, 2025	Dec.31, 2024
- TCA Properties	-	(26,199)
- Al Ahly Computer	10,512	8,413
<b>Total</b>	<b>10,512</b>	<b>(17,786)</b>

### 13 . Cash and cash equivalents

	Dec.31, 2025	Dec.31, 2024
Cash and cash equivalents	20,002,406	21,752,997
<b>Total</b>	<b>20,002,406</b>	<b>21,752,997</b>

### 14 . Balances at the central bank

	Dec.31, 2025	Dec.31, 2024
<b>Obligatory reserve balance with central banks</b>		
Current accounts	68,874,046	114,778,023
<b>Total</b>	<b>68,874,046</b>	<b>114,778,023</b>
<b>Non-interest-bearing balances</b>	<b>68,874,046</b>	<b>114,778,023</b>

### 15 . Due from banks

	Dec.31, 2025	Dec.31, 2024
Current accounts	9,128,504	8,417,769
Deposits	126,240,727	262,415,890
Expected credit losses (ECL)	(132,682)	(3,825)
<b>Net</b>	<b>135,236,549</b>	<b>270,829,834</b>
Central banks	44,251,480	99,637,072
Local banks	7,243,880	101,775,461
Foreign banks	83,741,189	69,417,301
<b>Net</b>	<b>135,236,549</b>	<b>270,829,834</b>
Non-interest-bearing balances	3,725,761	2,156,451
Floating interest-bearing balances	47,001,336	44,712,342
Fixed interest-bearing balances	84,509,452	223,961,041
<b>Net</b>	<b>135,236,549</b>	<b>270,829,834</b>
Current balances	135,236,549	270,829,834
<b>Total</b>	<b>135,236,549</b>	<b>270,829,834</b>

### 16 . Loans and advances to banks, net

	Dec.31, 2025	Dec.31, 2024
Loans	34,781,349	9,863,221
Unamortized discounted bank loans	(254,104)	(174,320)
Expected credit losses (ECL)	(86,475)	(133,491)
<b>Net</b>	<b>34,440,770</b>	<b>9,555,410</b>
Current balances	19,116,232	8,117,337
Non-current balances	15,324,538	1,438,073
<b>Net</b>	<b>34,440,770</b>	<b>9,555,410</b>

#### Analysis for ECL of loans and advances to banks

	Dec.31, 2025	Dec.31, 2024
Beginning balance	(133,491)	(1,291)
Released (charged) during the year	43,266	(131,405)
Exchange revaluation difference	3,750	(795)
<b>Ending balance</b>	<b>(86,475)</b>	<b>(133,491)</b>

**17 . Loans and advances to customers, net**

	Dec.31, 2025	Dec.31, 2024
<b>Individual</b>		
- Overdraft	3,174,190	3,731,857
- Credit cards	18,234,061	15,027,813
- Personal loans	63,053,375	54,941,264
- Mortgage loans	7,997,385	5,794,632
<b>Total 1</b>	<b>92,459,011</b>	<b>79,495,566</b>
<b>Corporate and Business Banking</b>		
- Overdraft	113,965,193	87,461,400
- Direct loans	259,575,740	144,428,805
- Syndicated loans	78,572,993	79,963,890
- Other loans	1,687,298	1,033,383
<b>Total 2</b>	<b>453,801,224</b>	<b>312,887,478</b>
<b>Total Loans and advances to customers (1+2)</b>	<b>546,260,235</b>	<b>392,383,044</b>
<b>Less:</b>		
Unamortized bills discount	(82,363)	(238,286)
Unamortized syndicated loans discount	(40,820)	(84,093)
Suspended credit account	(3,495,530)	(3,036,429)
Expected credit losses (ECL)	(34,687,756)	(45,481,562)
<b>Net loans and advances to customers</b>	<b>507,953,766</b>	<b>343,542,674</b>
<b>Distributed to</b>		
Current balances	269,979,654	196,071,388
Non-current balances	237,974,112	147,471,286
<b>Total</b>	<b>507,953,766</b>	<b>343,542,674</b>

Analysis of the expected credit losses on loans and advances to customers by product during the year is as follows:

	Dec.31, 2025				
	Overdraft	Credit cards	Personal loans	Mortgage loans	Total
<b>Individual Loans:</b>					
Beginning balance	(10,787)	(2,028,966)	(1,699,512)	(86,004)	(3,825,269)
Released (charged) during the year	2,691	(670,504)	(540)	(40,714)	(709,067)
Written off during the year	2,073	71,626	172,364	243	246,306
Recoveries during the year	(2,005)	(81,389)	(98,684)	(656)	(182,734)
<b>Ending balance</b>	<b>(8,028)</b>	<b>(2,709,233)</b>	<b>(1,626,372)</b>	<b>(127,131)</b>	<b>(4,470,764)</b>

	Dec.31, 2025				
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
<b>Corporate and Business Banking Loans:</b>					
Beginning balance	(5,818,838)	(23,716,012)	(12,086,636)	(34,807)	(41,656,293)
Released (charged) during the year	(70,285)	1,024,044	653,544	(14,000)	1,593,303
Written off during the year	31,507	1,233,896	-	-	1,265,403
Recoveries during the year	-	(1,001,554)	-	-	(1,001,554)
PD Recalibration impact*	2,721,163	4,288,457	1,129,733	34,351	8,173,704
Foreign currencies translation differences	(2,643)	780,833	631,393	(1,138)	1,408,445
<b>Ending balance</b>	<b>(3,139,096)</b>	<b>(17,390,336)</b>	<b>(9,671,966)</b>	<b>(15,594)</b>	<b>(30,216,992)</b>

\* Represents released ECL to the income statement and has been transferred to a special reserve.

	Dec.31, 2024				
	Overdraft	Credit cards	Personal loans	Mortgage loans	Total
<b>Individual Loans:</b>					
Beginning balance	(5,517)	(723,524)	(1,428,802)	(85,452)	(2,243,295)
Released (charged) during the year	(6,713)	(1,304,974)	(375,154)	(1,642)	(1,688,483)
Written off during the year	3,038	69,410	190,105	1,638	264,191
Recoveries during the year	(1,595)	(69,878)	(85,661)	(548)	(157,682)
<b>Ending balance</b>	<b>(10,787)</b>	<b>(2,028,966)</b>	<b>(1,699,512)</b>	<b>(86,004)</b>	<b>(3,825,269)</b>

	Dec.31, 2024				
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
<b>Corporate and Business Banking Loans:</b>					
Beginning balance	(2,814,547)	(18,367,660)	(5,792,815)	(19,420)	(26,994,442)
Released (charged) during the year	(2,166,672)	3,320,981	(4,085,932)	(16,596)	(2,948,219)
Written off during the year	11,501	236,120	-	1,209	248,830
Recoveries during the year	(1,000)	(709,589)	-	-	(710,589)
ECL Transfer to Other provisions	-	-	1,276,440	-	1,276,440
Foreign currencies translation differences	(848,120)	(8,195,864)	(3,484,329)	-	(12,528,313)
<b>Ending balance</b>	<b>(5,818,838)</b>	<b>(23,716,012)</b>	<b>(12,086,636)</b>	<b>(34,807)</b>	<b>(41,656,293)</b>

## 17.1 Loans and advances.

Loans and advances are summarized as follows:

	Dec.31, 2025		Dec.31, 2024	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
<b>Gross Loans and advances</b>	546,260,235	34,781,349	392,383,044	9,863,221
<b>Less:</b>				
ECL	34,687,756	86,475	45,481,562	133,491
Unamortized bills discount	82,363	254,104	238,286	174,320
Unamortized syndicated loans discount	40,820	-	84,093	-
Suspended credit account	3,495,530	-	3,036,429	-
<b>Net</b>	<b>507,953,766</b>	<b>34,440,770</b>	<b>343,542,674</b>	<b>9,555,410</b>

Expected credit losses for loans and advances totaled EGP 34,774,231 compared to EGP 45,615,053 in 2024.

During the year, the Bank's total loans and advances increased by 44.45% compared to 50.54% in 2024.

In order to minimize the probable exposure to credit risk, the Bank focuses more on the business with large enterprises, banks or retail customers with good credit rating or sufficient collateral.

### Dec.31, 2025

Total balances of loans and advances to customers divided by stages:

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Individuals	87,060,741	4,369,775	1,028,495	92,459,011
Corporate and Business Banking	340,459,147	104,437,082	8,904,995	453,801,224
<b>Total</b>	<b>427,519,888</b>	<b>108,806,857</b>	<b>9,933,490</b>	<b>546,260,235</b>

Expected credit losses for loans and advances to customers divided by stages:

	Stage 1: 12 month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total
Individuals	3,521,440	105,966	843,358	4,470,764
Corporate and Business Banking	3,710,367	19,691,956	6,814,669	30,216,992
<b>Total</b>	<b>7,231,807</b>	<b>19,797,922</b>	<b>7,658,027</b>	<b>34,687,756</b>

Loans and advances, balances and expected credit losses to banks divided by stages:

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Loans	7,283,231	27,498,118	-	34,781,349
Expected credit losses	(443)	(86,032)	-	(86,475)
<b>Net of ECL</b>	<b>7,282,788</b>	<b>27,412,086</b>	<b>-</b>	<b>34,694,874</b>

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Facilities and guarantees	268,880,287	22,914,952	6,586,352	298,381,591
Expected credit losses	(1,902,699)	(4,067,839)	(6,586,352)	(12,556,890)
<b>Net of ECL</b>	<b>266,977,588</b>	<b>18,847,113</b>	<b>-</b>	<b>285,824,701</b>

Dec.31, 2024

**Total balances of loans and advances to customers divided by stages:**

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Individuals	73,490,959	5,035,557	969,050	79,495,566
Corporate and Business Banking	191,684,590	108,916,985	12,285,903	312,887,478
<b>Total</b>	<b>265,175,549</b>	<b>113,952,542</b>	<b>13,254,953</b>	<b>392,383,044</b>

**Expected credit losses for loans and advances to customers divided by stages:**

	Stage 1: 12 month ECL	Stage 2: Lifetime ECL not credit impaired	Stage 3: Lifetime ECL credit impaired	Total
Individuals	2,901,607	165,037	758,625	3,825,269
Corporate and Business Banking	7,381,514	24,585,991	9,688,788	41,656,293
<b>Total</b>	<b>10,283,121</b>	<b>24,751,028</b>	<b>10,447,413</b>	<b>45,481,562</b>

**Loans and advances, balances and expected credit losses to banks divided by stages:**

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Loans	2,164,119	7,699,102	-	9,863,221
Expected credit losses	(30)	(133,461)	-	(133,491)
<b>Net of ECL</b>	<b>2,164,089</b>	<b>7,565,641</b>	<b>-</b>	<b>9,729,730</b>

**Off balance sheet items exposed to credit risk and expected credit losses divided by stages:**

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Facilities and guarantees	252,395,002	29,789,216	6,921,704	289,105,922
Expected credit losses	(7,049,948)	(5,116,697)	(3,439,478)	(15,606,123)
<b>Net of ECL</b>	<b>245,345,054</b>	<b>24,672,519</b>	<b>3,482,226</b>	<b>273,499,799</b>

The following tables provide information on the quality of financial assets subject to ECL calculation at the end of financial year:

Dec.31, 2025

**Due from banks**

**Credit rating**

	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
1 - High Grade (1-5)	7,792,997	-	-	7,792,997
2 - Standard (6)	41,731,225	-	-	41,731,225
3 - Sub Standard (7)	-	-	-	-
4 - Non - Performing Loans (8-10)	-	-	-	-
<b>Total</b>	<b>49,524,222</b>	<b>-</b>	<b>-</b>	<b>49,524,222</b>
ECL	(132,682)	-	-	(132,682)
<b>Net</b>	<b>49,391,540</b>	<b>-</b>	<b>-</b>	<b>49,391,540</b>

**Individual Loans:**

**Credit rating**

	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
1 - High Grade (1-5)	87,060,741	-	-	87,060,741
2 - Standard (6)	-	4,369,051	-	4,369,051
3 - Sub Standard (7)	-	724	-	724
4 - Non - Performing Loans (8-10)	-	-	1,028,495	1,028,495
<b>Total</b>	<b>87,060,741</b>	<b>4,369,775</b>	<b>1,028,495</b>	<b>92,459,011</b>
ECL	(3,521,440)	(105,966)	(843,358)	(4,470,764)
<b>Net</b>	<b>83,539,301</b>	<b>4,263,809</b>	<b>185,137</b>	<b>87,988,247</b>

**Corporate and Business Banking Loans:**

**Credit rating**

	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
1 - High Grade (1-5)	315,167,734	81,118,955	-	396,286,689
2 - Standard (6)	25,291,413	22,533,079	-	47,824,492
3 - Sub Standard (7)	-	785,048	24,190	809,238
4 - Non - Performing Loans (8-10)	-	-	8,880,805	8,880,805
<b>Total</b>	<b>340,459,147</b>	<b>104,437,082</b>	<b>8,904,995</b>	<b>453,801,224</b>
ECL	(3,710,367)	(19,691,956)	(6,814,669)	(30,216,992)
<b>Net</b>	<b>336,748,780</b>	<b>84,745,126</b>	<b>2,090,326</b>	<b>423,584,232</b>

**Debt Instruments at Fair value through OCI**

**Credit rating**

	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
1 - High Grade (1-5)	121,863,857	34,198,061	-	156,061,918
2 - Standard (6)	75,533,064	-	-	75,533,064
3 - Sub Standard (7)	-	-	-	-
4 - Non - Performing Loans (8-10)	-	-	-	-
<b>Total</b>	<b>197,396,921</b>	<b>34,198,061</b>	<b>-</b>	<b>231,594,982</b>
ECL	(3,649,982)	(115,093)	-	(3,765,075)

**Debt Instruments at amortized cost**

**Credit rating**

	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
1 - High Grade (1-5)	3,772,728	-	-	3,772,728
2 - Standard (6)	6,973,873	-	-	6,973,873
3 - Sub Standard (7)	-	-	-	-
4 - Non - Performing Loans (8-10)	-	-	-	-
<b>Total</b>	<b>10,746,601</b>	<b>-</b>	<b>-</b>	<b>10,746,601</b>
ECL	(392,625)	-	-	(392,625)
<b>Net</b>	<b>10,353,976</b>	<b>-</b>	<b>-</b>	<b>10,353,976</b>

The following tables provide information on the quality of financial assets subject to ECL calculation at the end of financial year:

Dec.31, 2024

<u>Due from banks</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
<u>Credit rating</u>	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
1 - High Grade (1-5)	28,280,616	-	-	28,280,616
2 - Standard (6)	-	-	-	-
3 - Sub Standard (7)	-	-	-	-
4 - Non - Performing Loans (8-10)	-	-	-	-
<b>Total</b>	<b>28,280,616</b>	<b>-</b>	<b>-</b>	<b>28,280,616</b>
ECL	(3,825)	-	-	(3,825)
<b>Net</b>	<b>28,276,791</b>	<b>-</b>	<b>-</b>	<b>28,276,791</b>

<u>Individual Loans:</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
<u>Credit rating</u>	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
1 - High Grade (1-5)	73,490,959	-	-	73,490,959
2 - Standard (6)	-	5,034,913	-	5,034,913
3 - Sub Standard (7)	-	644	515	1,159
4 - Non - Performing Loans (8-10)	-	-	968,535	968,535
<b>Total</b>	<b>73,490,959</b>	<b>5,035,557</b>	<b>969,050</b>	<b>79,495,566</b>
ECL	(2,901,607)	(165,037)	(758,625)	(3,825,269)
<b>Net</b>	<b>70,589,352</b>	<b>4,870,520</b>	<b>210,425</b>	<b>75,670,297</b>

<u>Corporate and Business Banking Loans:</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
<u>Credit rating</u>	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
1 - High Grade (1-5)	178,607,998	80,712,454	-	259,320,452
2 - Standard (6)	13,076,592	25,282,401	-	38,358,993
3 - Sub Standard (7)	-	2,922,130	51,942	2,974,072
4 - Non - Performing Loans (8-10)	-	-	12,233,961	12,233,961
<b>Total</b>	<b>191,684,590</b>	<b>108,916,985</b>	<b>12,285,903</b>	<b>312,887,478</b>
ECL	(7,381,514)	(24,585,991)	(9,688,788)	(41,656,293)
<b>Net</b>	<b>184,303,076</b>	<b>84,330,994</b>	<b>2,597,115</b>	<b>271,231,185</b>

<u>Debt Instruments at Fair value through OCI</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
<u>Credit rating</u>	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
1 - High Grade (1-5)	45,126,560	5,096,905	-	50,223,465
2 - Standard (6)	86,672,222	-	-	86,672,222
3 - Sub Standard (7)	-	-	-	-
4 - Non - Performing Loans (8-10)	-	-	-	-
<b>Total</b>	<b>131,798,782</b>	<b>5,096,905</b>	<b>-</b>	<b>136,895,687</b>
ECL	(3,790,195)	(15,025)	-	(3,805,220)

<u>Debt Instruments at amortized cost</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
<u>Credit rating</u>	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
1 - High Grade (1-5)	4,086,865	-	-	4,086,865
2 - Standard (6)	6,987,590	-	-	6,987,590
3 - Sub Standard (7)	-	-	-	-
4 - Non - Performing Loans (8-10)	-	-	-	-
<b>Total</b>	<b>11,074,455</b>	<b>-</b>	<b>-</b>	<b>11,074,455</b>
ECL	(466,982)	-	-	(466,982)
<b>Net</b>	<b>10,607,473</b>	<b>-</b>	<b>-</b>	<b>10,607,473</b>

**By Internal Rating Dec 2025**
**Expected credit losses divided by internal classification:**

Corporate and Business Banking Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-3%	2,721,192	8,233,436	-	10,954,628
2 - Standard (6)	3%-6%	989,175	10,690,823	-	11,679,998
3 - Sub Standard (7)	6%-30%	-	767,697	4,256	771,953
4 - Non - Performing Loans (8-10)	100%	-	-	6,810,413	6,810,413
<b>Total</b>		<b>3,710,367</b>	<b>19,691,956</b>	<b>6,814,669</b>	<b>30,216,992</b>

**Individual Loans:**

Individual Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-6%	3,521,440	-	-	3,521,440
2 - Standard (6)	> 7%	-	105,825	-	105,825
3 - Sub Standard (7)	> 7%	-	141	-	141
4 - Non - Performing Loans (8-10)	100%	-	-	843,358	843,358
<b>Total</b>		<b>3,521,440</b>	<b>105,966</b>	<b>843,358</b>	<b>4,470,764</b>

**The total balances of loans and facilities divided according to the internal classification:**

Corporate and Business Banking Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-3%	315,167,734	81,118,955	-	396,286,689
2 - Standard (6)	3%-6%	25,291,413	22,533,079	-	47,824,492
3 - Sub Standard (7)	6%-30%	-	785,048	24,190	809,238
4 - Non - Performing Loans (8-10)	100%	-	-	8,880,805	8,880,805
<b>Total</b>		<b>340,459,147</b>	<b>104,437,082</b>	<b>8,904,995</b>	<b>453,801,224</b>

**Individual Loans:**

Individual Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-6%	87,060,741	-	-	87,060,741
2 - Standard (6)	> 7%	-	4,369,051	-	4,369,051
3 - Sub Standard (7)	> 7%	-	724	-	724
4 - Non - Performing Loans (8-10)	100%	-	-	1,028,495	1,028,495
<b>Total</b>		<b>87,060,741</b>	<b>4,369,775</b>	<b>1,028,495</b>	<b>92,459,011</b>

**By Internal Rating Dec 2024**
**Expected credit losses divided by internal classification:**

Corporate and Business Banking Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-11%	6,820,290	11,518,502	-	18,338,792
2 - Standard (6)	11%-21%	561,224	10,361,085	-	10,922,309
3 - Sub Standard (7)	21%-36%	-	2,706,404	17,867	2,724,271
4 - Non - Performing Loans (8-10)	100%	-	-	9,670,921	9,670,921
<b>Total</b>		<b>7,381,514</b>	<b>24,585,991</b>	<b>9,688,788</b>	<b>41,656,293</b>

**Individual Loans:**

Individual Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-10%	2,901,607	-	-	2,901,607
2 - Standard (6)	>11%	-	164,910	-	164,910
3 - Sub Standard (7)	>11%	-	127	50	177
4 - Non - Performing Loans (8-10)	100%	-	-	758,575	758,575
<b>Total</b>		<b>2,901,607</b>	<b>165,037</b>	<b>758,625</b>	<b>3,825,269</b>

**The total balances of loans and facilities divided according to the internal classification:**

Corporate and Business Banking Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-11%	178,607,998	80,712,454	-	259,320,452
2 - Standard (6)	11%-21%	13,076,592	25,282,401	-	38,358,993
3 - Sub Standard (7)	21%-36%	-	2,922,130	51,942	2,974,072
4 - Non - Performing Loans (8-10)	100%	-	-	12,233,961	12,233,961
<b>Total</b>		<b>191,684,590</b>	<b>108,916,985</b>	<b>12,285,903</b>	<b>312,887,478</b>

**Individual Loans:**

Individual Loans:	PD Range	Stage 1: 12 month	Stage 2: Lifetime not credit impaired	Stage 3: Lifetime credit impaired	Total
1 - High Grade (1-5)	1%-10%	73,490,959	-	-	73,490,959
2 - Standard (6)	>11%	-	5,034,913	-	5,034,913
3 - Sub Standard (7)	>11%	-	644	515	1,159
4 - Non - Performing Loans (8-10)	100%	-	-	968,535	968,535
<b>Total</b>		<b>73,490,959</b>	<b>5,035,557</b>	<b>969,050</b>	<b>79,495,566</b>

The table below displays ECL changes within 12 months resulting from the following factors:

Dec.31, 2025

**Due from banks**

	<u>Stage 1</u> <u>12 months</u>	<u>Stage 2</u> <u>Life time</u>	<u>Stage 3</u> <u>Life time</u>	<u>Total</u>
Beginning balance	3,825	-	-	3,825
Released/charged during the year	137,399	-	-	137,399
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	(8,542)	-	-	(8,542)
<b>Ending balance</b>	<b>132,682</b>	<b>-</b>	<b>-</b>	<b>132,682</b>

**Individual Loans:**

	<u>Stage 1</u> <u>12 months</u>	<u>Stage 2</u> <u>Life time</u>	<u>Stage 3</u> <u>Life time</u>	<u>Total</u>
Beginning balance	2,901,607	165,037	758,625	3,825,269
Released/charged during the year	619,833	(59,071)	148,305	709,067
Write off during the year	-	-	(246,306)	(246,306)
Recoveries	-	-	182,734	182,734
<b>Ending balance</b>	<b>3,521,440</b>	<b>105,966</b>	<b>843,358</b>	<b>4,470,764</b>

**Corporate and Business Banking Loans:**

	<u>Stage 1</u> <u>12 months</u>	<u>Stage 2</u> <u>Life time</u>	<u>Stage 3</u> <u>Life time</u>	<u>Total</u>
Beginning balance	7,381,514	24,585,991	9,688,788	41,656,293
Released/charged during the year	1,311,166	(1,906,603)	(997,866)	(1,593,303)
Transferred to stage 1	795,499	(690,838)	(104,661)	-
Transferred to stage 2	(412,329)	1,785,660	(1,373,331)	-
Transferred to stage 3	(84,785)	(122,929)	207,714	-
PD Recalibration impact*	(5,254,076)	(2,919,628)	-	(8,173,704)
Recoveries	-	-	1,001,554	1,001,554
Write off during the year	-	-	(1,265,403)	(1,265,403)
Cumulative foreign currencies translation differences	(26,622)	(1,039,697)	(342,126)	(1,408,445)
<b>Ending balance</b>	<b>3,710,367</b>	<b>19,691,956</b>	<b>6,814,669</b>	<b>30,216,992</b>

\*During third quarter 2025, the Bank completed a recalibration of its corporate TTCPD, models used in Expected Credit Losses (ECL) calculations after obtaining the necessary approvals, resulting in ECL release of 13.1 BEGP. The recalibration reflects updated and more representative risk parameters, consistent with the bank's historical default rates in line with IFRS 9 requirements to apply current, reasonable and supportable information. The PD models originally developed at initial IFRS 9 implementation in 2018 were based on the historical default data and portfolio characteristics available at that time, supplemented by expert judgement overlays embedded into the PD model to address data limitations and ensure prudence in light of heightened Egypt's economic uncertainties in prior periods. These estimates and assumptions were subject to ongoing monitoring in prior periods, and the previous TTC PDs were based on the best available data, modelling practices, and economic outlook at the time, and complied with IFRS 9 requirements.

The recalibration incorporated extended and more complete default experience, with back testing indicating that certain historical PD estimates—particularly those affected by conservative embedded overlays during periods of heightened economic uncertainty—were no longer reflective of the portfolio's observed credit risk, especially as Egypt's economic outlook improved in the second half of 2025. This resulted in a more accurate estimate of long run average default rates.

To strengthen model robustness and mitigate inherent modelling limitations, the Bank introduced additional layer on the recalibrated PDs across rating grades to accommodate the model risk which will be subject to ongoing monitoring and revisit going forward, consistent with industry practice and IFRS 9 requirements for neutrality and avoidance of undue bias. This additional layer support stability of PD estimates.

An independent third party validation confirmed the soundness of the recalibrated models, including assumptions and methodological choices.

The resulting ECL release reflects improved model accuracy and updated portfolio performance trends. The recalibration does not reflect changes in credit risk appetite or underwriting standards. The Bank considers the recalibrated TTCPDs to be consistent with current expectations of credit losses based on the reasonable and supportable information available at the reporting date.

**Debt Instruments at Fair value through OCI**

	<u>Stage 1</u> <u>12 months</u>	<u>Stage 2</u> <u>Life time</u>	<u>Stage 3</u> <u>Life time</u>	<u>Total</u>
Beginning balance	3,790,195	15,025	-	3,805,220
Released/charged during the year	100,487	101,992	-	202,479
Transferred to stage 1	833	(833)	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	(241,533)	(1,091)	-	(242,624)
<b>Ending balance</b>	<b>3,649,982</b>	<b>115,093</b>	<b>-</b>	<b>3,765,075</b>

**Debt Instruments at amortized cost**

	<u>Stage 1</u> <u>12 months</u>	<u>Stage 2</u> <u>Life time</u>	<u>Stage 3</u> <u>Life time</u>	<u>Total</u>
Beginning balance	466,982	-	-	466,982
Released/charged during the year	(55,830)	-	-	(55,830)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	(18,527)	-	-	(18,527)
<b>Ending balance</b>	<b>392,625</b>	<b>-</b>	<b>-</b>	<b>392,625</b>

**Off balance sheet items:**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Beginning balance	7,049,948	5,116,697	3,439,478	15,606,123
Released/charged during the year	(229,151)	(837,746)	3,050,577	1,983,680
Transferred to stage 1	22,412	(22,412)	-	-
Transferred to stage 2	(364,433)	364,433	-	-
Transferred to stage 3	-	(3,181)	3,181	-
PD Recalibration impact*	(4,537,172)	(434,136)	-	(4,971,308)
Cumulative foreign currencies translation differences	(38,905)	(115,816)	93,116	(61,605)
<b>Ending balance</b>	<b>1,902,699</b>	<b>4,067,839</b>	<b>6,586,352</b>	<b>12,556,890</b>

\*During third quarter 2025, the Bank completed a recalibration of its corporate TTCPD, models used in Expected Credit Losses (ECL) calculations after obtaining the necessary approvals, resulting in ECL release of 13.1 BEGP. The recalibration reflects updated and more representative risk parameters, consistent with the bank's historical default rates in line with IFRS 9 requirements to apply current, reasonable and supportable information. The PD models originally developed at initial IFRS 9 implementation in 2018 were based on the historical default data and portfolio characteristics available at that time, supplemented by expert judgement overlays embedded into the PD model to address data limitations and ensure prudence in light of heightened Egypt's economic uncertainties in prior periods. These estimates and assumptions were subject to ongoing monitoring in prior periods, and the previous TTC PDs were based on the best available data, modelling practices, and economic outlook at the time, and complied with IFRS 9 requirements. The recalibration incorporated extended and more complete default experience, with back testing indicating that certain historical PD estimates—particularly those affected by conservative embedded overlays during periods of heightened economic uncertainty—were no longer reflective of the portfolio's observed credit risk, especially as Egypt's economic outlook improved in the second half of 2025. This resulted in a more accurate estimate of long run average default rates. To strengthen model robustness and mitigate inherent modelling limitations, the Bank introduced additional layer on the recalibrated PDs across rating grades to accommodate the model risk which will be subject to ongoing monitoring and revisit going forward, consistent with industry practice and IFRS 9 requirements for neutrality and avoidance of undue bias. This additional layer support stability of PD estimates. An independent third party validation confirmed the soundness of the recalibrated models, including assumptions and methodological choices. The resulting ECL release reflects improved model accuracy and updated portfolio performance trends. The recalibration does not reflect changes in credit risk appetite or underwriting standards. The Bank considers the recalibrated TTCPDs to be consistent with current expectations of credit losses based on the reasonable and supportable information available at the reporting date.

**The table below displays ECL changes within 12 months resulting from the following factors:**
**Dec.31, 2024**
**Due from banks**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Beginning balance	2,158	-	-	2,158
Released/charged during the year	(341)	-	-	(341)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	2,008	-	-	2,008
<b>Ending balance</b>	<b>3,825</b>	<b>-</b>	<b>-</b>	<b>3,825</b>

**Individual Loans:**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Beginning balance	1,551,112	205,628	486,555	2,243,295
Released/charged during the year	1,350,495	(40,591)	378,579	1,688,483
Write off during the year	-	-	(264,191)	(264,191)
Recoveries	-	-	157,682	157,682
<b>Ending balance</b>	<b>2,901,607</b>	<b>165,037</b>	<b>758,625</b>	<b>3,825,269</b>

**Corporate and Business Banking Loans:**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Beginning balance	4,410,307	14,882,887	7,701,248	26,994,442
Released/charged during the year	2,863,662	960,600	(876,043)	2,948,219
Transferred to stage 1	197,123	(197,123)	-	-
Transferred to stage 2	(280,051)	2,185,566	(1,905,515)	-
Transferred to stage 3	(30,105)	(875,843)	905,948	-
ECL Transfer to Other provisions	-	-	(1,276,440)	(1,276,440)
Recoveries	-	-	710,589	710,589
Write off during the year	-	-	(248,830)	(248,830)
Cumulative foreign currencies translation differences	220,578	7,629,904	4,677,831	12,528,313
<b>Ending balance</b>	<b>7,381,514</b>	<b>24,585,991</b>	<b>9,688,788</b>	<b>41,656,293</b>

**Debt Instruments at Fair value through OCI**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Beginning balance	2,868,271	-	-	2,868,271
Released/charged during the year	(407,135)	14,179	-	(392,956)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(846)	846	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	1,329,905	-	-	1,329,905
<b>Ending balance</b>	<b>3,790,195</b>	<b>15,025</b>	<b>-</b>	<b>3,805,220</b>

**Debt Instruments at amortized cost**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Beginning balance	198,469	-	-	198,469
Released/charged during the year	149,009	-	-	149,009
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	119,504	-	-	119,504
<b>Ending balance</b>	<b>466,982</b>	<b>-</b>	<b>-</b>	<b>466,982</b>

## 18 . Derivative financial instruments

### 18.1 Derivatives

The Bank uses the following financial derivatives for hedging purposes and non hedging purposes.

Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial markets.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, these contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).

Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (OTC). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn't provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don't reflect credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

#### 18.1.1 For trading derivatives

	Dec.31, 2025			Dec.31, 2024		
	<u>Notional amount</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Notional amount</u>	<u>Assets</u>	<u>Liabilities</u>
<b>Foreign currencies derivatives</b>						
- Forward foreign exchange contracts	12,733,202	45,971	110,096	2,504,361	25,118	24,029
- Swap foreign exchange deals	24,030,568	75,360	1,723	31,493,338	266	16,637
<b>Total (1)</b>		121,331	111,819		25,384	40,666

#### 18.1.2 Fair value hedge

-Interest rate swap deals	17,399,988	141,645	25,983	28,215,534	111,707	59,905
<b>Total (2)</b>		141,645	25,983		111,707	59,905

#### 18.1.3 Cash flow hedge

-Interest rate swap deals	4,528,764	357,373	-	21,567,522	682,620	-
<b>Total (3)</b>		357,373	-		682,620	-
<b>Total financial derivatives (1+2+3)</b>		620,349	137,802		819,711	100,571

## 19 . Issued debt instruments

	<u>Interest rate type</u>	Dec.31, 2025	Dec.31, 2024
		<b>Fixed rate bonds with 5 years maturity</b>	
Green bonds (USD)	Fixed rate	4,761,558	5,067,781
<b>Total</b>		4,761,558	5,067,781
Current balances		4,761,558	5,067,781

## 20. Financial Investments

Dec. 31, 2025

The following tables provide analysis of financial investment (Debt instruments, treasury bills and other governmental notes) balances by rating agencies at the end of the year:

Debt investment securities at amortized cost	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	236,672,175	-	-	236,672,175
Not rated	-	-	-	-
<b>Total</b>	<b>236,672,175</b>	<b>-</b>	<b>-</b>	<b>236,672,175</b>

Debt investment securities at FVOCI	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
AAA to AA+	50,837,712	-	-	50,837,712
AA to AA-	3,264,973	-	-	3,264,973
A+ to A-	25,728,227	-	-	25,728,227
Less than A-	258,016,240	34,198,061	-	292,214,301
Not rated	-	-	-	-
<b>Total</b>	<b>337,847,152</b>	<b>34,198,061</b>	<b>-</b>	<b>372,045,213</b>

The following table displays analysis of expected credit losses on financial investments (Debt instruments, treasury bills and other governmental notes) by rating agencies at the end of the year:

Debt investment securities at amortized cost	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses over a lifetime that is not creditworthy	Stage 3: Expected credit losses over a lifetime credit default	Total
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	392,625	-	-	392,625
Not rated	-	-	-	-
<b>Total</b>	<b>392,625</b>	<b>-</b>	<b>-</b>	<b>392,625</b>

Debt investment securities at FVOCI	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses over a lifetime that is not creditworthy	Stage 3: Expected credit losses over a lifetime credit default	Total
AAA to AA+	3	-	-	3
AA to AA-	-	-	-	-
A+ to A-	117	-	-	117
Less than A-	3,649,862	115,093	-	3,764,955
Not rated	-	-	-	-
<b>Total</b>	<b>3,649,982</b>	<b>115,093</b>	<b>-</b>	<b>3,765,075</b>

The following tables provide analysis of financial investment (Debt instruments, treasury bills and other governmental notes) balances by rating agencies at the end of the year:  
 Dec. 31, 2024

<b>Debt investment securities at amortized cost</b>	<b>Stage 1: 12 months</b>	<b>Stage 2: Life time</b>	<b>Stage 3: Life time</b>	<b>Total</b>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	168,118,219	-	-	168,118,219
Not rated	-	-	-	-
<b>Total</b>	<b>168,118,219</b>	<b>-</b>	<b>-</b>	<b>168,118,219</b>

<b>Debt investment securities at FVOCI</b>	<b>Stage 1: 12 months</b>	<b>Stage 2: Life time</b>	<b>Stage 3: Life time</b>	<b>Total</b>
AAA to AA+	13,289,883	-	-	13,289,883
AA to AA-	1,898,512	-	-	1,898,512
A+ to A-	1,215,276	-	-	1,215,276
Less than A-	115,395,111	5,096,905	-	120,492,016
Not rated	-	-	-	-
<b>Total</b>	<b>131,798,782</b>	<b>5,096,905</b>	<b>-</b>	<b>136,895,687</b>

The following table displays analysis of expected credit losses on financial investments by rating agencies at the end of the year:

<b>Debt investment securities at amortized cost</b>	<b>Stage 1: Expected credit losses over 12 months</b>	<b>Stage 2: Expected credit losses over a lifetime that is not creditworthy</b>	<b>Stage 3: Expected credit losses over a lifetime credit default</b>	<b>Total</b>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	466,982	-	-	466,982
Not rated	-	-	-	-
<b>Total</b>	<b>466,982</b>	<b>-</b>	<b>-</b>	<b>466,982</b>

<b>Debt investment securities at FVOCI</b>	<b>Stage 1: Expected credit losses over 12 months</b>	<b>Stage 2: Expected credit losses over a lifetime that is not creditworthy</b>	<b>Stage 3: Expected credit losses over a lifetime credit default</b>	<b>Total</b>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	3,790,195	15,025	-	3,805,220
Not rated	-	-	-	-
<b>Total</b>	<b>3,790,195</b>	<b>15,025</b>	<b>-</b>	<b>3,805,220</b>

Movement of financial investment securities:

	<b>Financial Assets at fair value through Other comprehensive income</b>	<b>Financial Assets at Amortized cost</b>	<b>Financial Assets at fair value through profit or loss</b>
Beginning balance	233,430,236	38,341,019	306,375
Addition	113,445,585	129,153,136	-
Disposals	(140,381,225)	(2,028,180)	-
Profit (losses) from fair value difference	9,826,570	-	74,394
Exchange revaluation differences for foreign financial assets	18,373,800	2,652,244	-
<b>Ending Balance as of Dec.31, 2024</b>	<b>234,694,966</b>	<b>168,118,219</b>	<b>380,769</b>

	<b>Financial Assets at fair value through Other comprehensive income</b>	<b>Financial Assets at Amortized cost</b>	<b>Financial Assets at fair value through profit or loss</b>
Beginning balance	234,694,966	168,118,219	380,769
Addition	263,771,830	90,488,312	-
Disposals	(127,867,188)	(21,689,390)	-
Profit (losses) from fair value difference	8,038,692	-	2,795,006
Exchange revaluation differences for foreign financial assets	(4,890,606)	(244,966)	(2,236)
<b>Ending Balance as of Dec.31, 2025</b>	<b>373,747,694</b>	<b>236,672,175</b>	<b>3,173,539</b>

**Financial Investment securities**

	<b>Dec.31, 2025</b>			<b>Total</b>
	<b>Financial Assets at fair value through profit or loss</b>	<b>Financial Assets at fair value through Other comprehensive</b>	<b>Financial Assets at Amortized cost</b>	
<b>Investments listed in the market</b>				
Governmental bonds	-	177,975,844	233,738,536	411,714,380
Securitized and other bonds	-	24,421,313	1,742,739	26,164,052
Equity shares of other entities	-	750,599	-	750,599
Treasury bills	-	-	1,190,900	1,190,900
Sukuk	-	11,250,823	-	11,250,823
<b>Investments not listed in the market</b>				
Treasury bills	-	143,391,420	-	143,391,420
Securitized bonds	-	15,005,813	-	15,005,813
Equity shares of other entities	-	951,882	-	951,882
Funds	3,173,539	-	-	3,173,539
<b>Total</b>	<b>3,173,539</b>	<b>373,747,694</b>	<b>236,672,175</b>	<b>613,593,408</b>

	<b>Dec.31, 2024</b>			<b>Total</b>
	<b>Financial Assets at fair value through profit or loss</b>	<b>Financial Assets at fair value through Other comprehensive income</b>	<b>Financial Assets at Amortized cost</b>	
<b>Investments listed in the market</b>				
Governmental bonds	-	115,572,026	164,936,822	280,508,848
Securitized and other bonds	-	25,955,015	2,015,953	27,970,968
Equity shares of other entities	-	159,066	-	159,066
Treasury bills	-	-	56,047	56,047
Sukuk	-	1,693,833	-	1,693,833
<b>Investments not listed in the market</b>				
Treasury bills and other governmental notes	-	89,137,583	-	89,137,583
Securitized bonds	-	1,163,813	1,109,397	2,273,210
Equity shares of other entities	-	1,013,630	-	1,013,630
Funds	380,769	-	-	380,769
<b>Total</b>	<b>380,769</b>	<b>234,694,966</b>	<b>168,118,219</b>	<b>403,193,954</b>

**Disclosure and measurement of financial assets and financial liabilities:**

The following table shows the financial assets and the net financial commitments according to the business model classification:

	<b>Dec.31, 2025</b>				<b>Total book value</b>
	<b>Amortized cost</b>	<b>Debt financial Assets at Fair value through OCI</b>	<b>Equity financial Assets at Fair value through OCI</b>	<b>Financial Assets/Liabilities at Fair value through P&amp;L</b>	
Cash and cash equivalents	20,002,406	-	-	-	20,002,406
Balances at the central bank	68,874,046	-	-	-	68,874,046
Due from banks	135,236,549	-	-	-	135,236,549
Treasury bills	1,190,900	143,391,420	-	-	144,582,320
Loans and advances to customers, net	507,953,766	-	-	-	507,953,766
Financial Assets at Fair value through OCI	-	228,653,793	1,702,481	-	230,356,274
Financial Assets at Amortized cost	235,481,275	-	-	-	235,481,275
Financial Assets at Fair value through P&L	-	-	-	3,173,539	3,173,539
<b>Total financial assets</b>	<b>968,738,942</b>	<b>372,045,213</b>	<b>1,702,481</b>	<b>3,173,539</b>	<b>1,345,660,175</b>
Due to banks	3,353,746	-	-	-	3,353,746
Due to customers	1,110,395,693	-	-	-	1,110,395,693
Other loans	30,471,499	-	-	-	30,471,499
Issued debt instruments	4,761,558	-	-	-	4,761,558
<b>Total financial liabilities</b>	<b>1,148,982,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,148,982,496</b>

	<b>Dec.31, 2024</b>				<b>Total book value</b>
	<b>Amortized cost</b>	<b>Debt financial Assets at Fair value through OCI</b>	<b>Equity financial Assets at Fair value through OCI</b>	<b>Financial Assets/Liabilities at Fair value through P&amp;L</b>	
Cash and cash equivalents	21,752,997	-	-	-	21,752,997
Balances at the central bank	114,778,023	-	-	-	114,778,023
Due from banks	270,829,834	-	-	-	270,829,834
Treasury bills and other governmental notes	56,047	89,137,583	-	-	89,193,630
Loans and advances to customers, net	343,542,674	-	-	-	343,542,674
Financial Assets at Fair value through OCI	-	144,384,687	1,172,696	-	145,557,383
Financial Assets at Amortized cost	168,062,172	-	-	-	168,062,172
Financial Assets at Fair value through P&L	-	-	-	380,769	380,769
<b>Total financial assets</b>	<b>919,021,747</b>	<b>233,522,270</b>	<b>1,172,696</b>	<b>380,769</b>	<b>1,154,097,482</b>
Due to banks	2,034,885	-	-	-	2,034,885
Due to customers	972,595,958	-	-	-	972,595,958
Other loans	23,962,389	-	-	-	23,962,389
Issued debt instruments	5,067,781	-	-	-	5,067,781
<b>Total financial liabilities</b>	<b>1,003,661,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,003,661,013</b>

**21 . Gain on investments**

	Dec.31, 2025	Dec.31, 2024
Profit from selling FVOCI	498,433	459,337
Profit from selling shares of associates	277,408	-
<b>Total</b>	<b>775,841</b>	<b>459,337</b>

**22 . Investments in associates**

Dec.31, 2025	Business activity	Company's country	Company's current assets	Company's non-current assets	Company's current liabilities	Company's non-current liabilities	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
<b>Associates</b>										
- TCA Properties*	Properties	Egypt	-	-	-	-	-	-	-	-
- Al Ahly computer	Hardware & Software supplier	Egypt	99,560	2,736	32,545	1,066	155,952	37,232	45,210	39.33
<b>Total</b>			<b>99,560</b>	<b>2,736</b>	<b>32,545</b>	<b>1,066</b>	<b>155,952</b>	<b>37,232</b>	<b>45,210</b>	

\* During 2025, the bank sold total owned shares in TCA Properties.

Dec.31, 2024	Business activity	Company's country	Company's current assets	Company's non-current assets	Company's current liabilities	Company's non-current liabilities	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
- TCA Properties	Properties	Egypt	49,817	1,481,946	936,244	522,669	68,725	(72,560)	62,512	37.00
- Al Ahly computer	Hardware & Software supplier	Egypt	83,747	4,078	45,680	2,181	124,562	10,502	35,681	39.33
<b>Total</b>			<b>133,564</b>	<b>1,486,024</b>	<b>981,924</b>	<b>524,850</b>	<b>193,287</b>	<b>(62,058)</b>	<b>98,193</b>	

**23 . Other assets**

	Dec.31, 2025	Dec.31, 2024
Accrued revenues*	38,524,051	35,151,259
Prepaid expenses	2,527,869	1,572,181
Advances to purchase fixed assets	9,611,361	5,367,781
Accounts receivable and other assets (after deducting the provision)	3,111,683	2,150,743
Assets acquired as settlement of debts	265,948	40,809
<b>Total</b>	<b>54,040,912</b>	<b>44,282,773</b>

\* Accrued revenues include interest accrued on the loans and advances to customers amounting to EGP 7,068 million against EGP 4,593 million in 2024 , financial assets at amortized cost amounting to EGP 25,524 million against EGP 23,919 million in 2024, financial assets at fair value through OCI amounting to EGP 5,308 million against EGP 5,702 million in 2024.

## 24 . Property and equipment

	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	<u>Total</u>
<b>Cost at Jan 01, 2024 (1)</b>	229,669	1,232,387	4,574,069	225,188	1,018,249	940,061	162,568	<b>8,382,191</b>
Additions during the year	-	208,360	1,424,428	19,824	287,183	360,141	37,314	<b>2,337,250</b>
Disposals during the year	-	(22,230)	(30,432)	-	(31,011)	(20,486)	(2,527)	<b>(106,686)</b>
<b>Cost at end of the year (2)</b>	<b>229,669</b>	<b>1,418,517</b>	<b>5,968,065</b>	<b>245,012</b>	<b>1,274,421</b>	<b>1,279,716</b>	<b>197,355</b>	<b>10,612,755</b>
<b>Accumulated depreciation at beginning of the year (3)</b>	-	592,154	3,182,802	92,080	915,794	730,403	129,866	<b>5,643,099</b>
Current year depreciation	-	58,226	774,418	758	97,761	129,990	17,260	<b>1,078,413</b>
Disposals during the year	-	(22,230)	(30,432)	-	(31,011)	(20,486)	(2,527)	<b>(106,686)</b>
<b>Accumulated depreciation at end of the year (4)</b>	-	<b>628,150</b>	<b>3,926,788</b>	<b>92,838</b>	<b>982,544</b>	<b>839,907</b>	<b>144,599</b>	<b>6,614,826</b>
<b>Ending net assets (2-4)</b>	<b>229,669</b>	<b>790,367</b>	<b>2,041,277</b>	<b>152,174</b>	<b>291,877</b>	<b>439,809</b>	<b>52,756</b>	<b>3,997,929</b>
<b>Beginning net assets (1-3)</b>	<b>229,669</b>	<b>640,233</b>	<b>1,391,267</b>	<b>133,108</b>	<b>102,455</b>	<b>209,658</b>	<b>32,702</b>	<b>2,739,092</b>

	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	<u>Total</u>
<b>Cost at Jan 01, 2025 (1)</b>	229,669	1,418,517	5,968,065	245,012	1,274,421	1,279,716	197,355	10,612,755
Additions during the year	-	197,321	2,581,333	36,835	332,550	463,849	74,805	3,686,693
Disposals during the year*	-	(6,711)	(2,737)	-	(22,593)	(8,094)	(2,274)	(42,409)
<b>Cost at end of the year (2)</b>	<b>229,669</b>	<b>1,609,127</b>	<b>8,546,661</b>	<b>281,847</b>	<b>1,584,378</b>	<b>1,735,471</b>	<b>269,886</b>	<b>14,257,039</b>
<b>Accumulated depreciation at beginning of the year (3)</b>	-	628,150	3,926,788	92,838	982,544	839,907	144,599	<b>6,614,826</b>
Depreciation for the year	-	144,578	1,464,372	23,159	188,249	347,811	34,771	<b>2,202,940</b>
Disposals during the year*	-	(6,711)	(2,737)	-	(22,593)	(8,094)	(2,274)	(42,409)
<b>Accumulated depreciation at end of the year (4)</b>	-	<b>766,017</b>	<b>5,388,423</b>	<b>115,997</b>	<b>1,148,200</b>	<b>1,179,624</b>	<b>177,096</b>	<b>8,775,357</b>
<b>Ending net assets (2-4)</b>	<b>229,669</b>	<b>843,110</b>	<b>3,158,238</b>	<b>165,850</b>	<b>436,178</b>	<b>555,847</b>	<b>92,790</b>	<b>5,481,682</b>
<b>Beginning net assets (1-3)</b>	<b>229,669</b>	<b>790,367</b>	<b>2,041,277</b>	<b>152,174</b>	<b>291,877</b>	<b>439,809</b>	<b>52,756</b>	<b>3,997,929</b>

\* Disposals include the sale of fixed assets (Disclosure number 8); no fixed assets were salvaged during the year.

## Right of Use

	Dec.31, 2025		
	<u>Premises</u>	<u>Machines and equipment</u>	<u>Total</u>
<b>Balance as at Jan.1, 2025</b>	<b>1,283,567</b>	<b>18,283</b>	<b>1,301,850</b>
Net depreciation during the year	(100,372)	(3,985)	(104,357)
Net Additions (Disposals)	1,264,662	6,921	1,271,583
<b>Balance as at 31 December 2025</b>	<b>2,447,857</b>	<b>21,219</b>	<b>2,469,076</b>

	Dec.31, 2024		
Balance as at 1 Jan 2024	708,407	21,416	729,823
Net depreciation during the year	(323,737)	(12,770)	(336,507)
Net Additions (Disposals)	898,897	9,637	908,534
<b>Balance as at 31 December 2024</b>	<b>1,283,567</b>	<b>18,283</b>	<b>1,301,850</b>

## General Conditions:

It is important to note that the Bank's two main leasing contracts include lease contracts for Machines and equipment and lease contracts for premises.

- The average contract period for the Machines and equipment that have been leased by the Bank as of 2025 is 5 years with a discount rate of 14.55%.
- As regards to the Banks leased premises, they have a contractual lifetime, which varies between 3 to 20 years, also with a discount rate of 14.55%.
- The discount rate is the Bank's borrowing rate.

## Leases Liability

	Dec.31, 2025	Dec.31, 2024
	<u>Lease Liability</u>	<u>Lease Liability</u>
Non current lease liability	1,902,405	1,081,892
Current lease liability	624,076	343,712
<b>Balances at the end of the year</b>	<b>2,526,481</b>	<b>1,425,604</b>

## 25 . Due to banks

	Dec.31, 2025	Dec.31, 2024
Current accounts	2,739,491	1,278,912
Deposits	614,255	755,973
<b>Total</b>	<b>3,353,746</b>	<b>2,034,885</b>
Central banks	814,800	714,368
Local banks	73,248	43,832
Foreign banks	2,465,698	1,276,685
<b>Total</b>	<b>3,353,746</b>	<b>2,034,885</b>
Non-interest-bearing balances	2,739,491	1,278,912
Floating interest-bearing balances	470,038	679,715
Fixed interest-bearing balances	144,217	76,258
<b>Total</b>	<b>3,353,746</b>	<b>2,034,885</b>
Current balances	3,353,746	2,034,885

## 26 . Due to customers

	Dec.31, 2025	Dec.31, 2024
Demand deposits	461,967,523	368,893,515
Time deposits	180,471,867	195,085,589
Certificates of deposit	248,483,791	234,726,375
Saving deposits	211,270,156	164,587,739
Other deposits	8,202,356	9,302,740
<b>Total</b>	<b>1,110,395,693</b>	<b>972,595,958</b>
Corporate deposits	460,225,755	432,276,949
Individual deposits	650,169,938	540,319,009
<b>Total</b>	<b>1,110,395,693</b>	<b>972,595,958</b>
Non-interest-bearing balances	201,838,067	162,580,633
Floating interest-bearing balances	26,136,289	9,714,973
Fixed interest-bearing balances	882,421,337	800,300,352
<b>Total</b>	<b>1,110,395,693</b>	<b>972,595,958</b>
Current balances	860,771,051	733,056,112
Non-current balances	249,624,642	239,539,846
<b>Total</b>	<b>1,110,395,693</b>	<b>972,595,958</b>

## 27 . Other loans

	<u>Interest rate type</u>	<u>Loan duration</u>	<u>Due within the next year</u>	<u>Balance on Dec.31, 2025</u>	<u>Balance on Dec.31, 2024</u>
British International Investment subordinated loan	Floating rate	10 years	953,424	4,304,350	4,791,371
European Bank for Reconstruction and Development (EBRD)	Floating rate	5 years	204,305	928,817	503,546
International Finance Corporation (IFC)	Floating rate	5 years	-	2,352,914	2,501,995
Environmental Compliance Project (ECO)	Fixed rate	1 year	6,500	6,500	210
Agricultural Research and Development Fund (ARDF)	Fixed rate	1-3 years	221,109	237,911	197,827
Egyptian Pollution Abatement Program (EPAP)	Floating / Fixed rate	1-6 years	328,095	1,363,877	847,345
European Bank for Reconstruction and Development (EBRD) subordinated Loan	Floating rate	10 years	-	7,095,262	7,559,094
International Finance Corporation (IFC) subordinated Loan	Floating rate	10 years	-	14,181,868	7,561,001
<b>Total</b>			<b>1,713,433</b>	<b>30,471,499</b>	<b>23,962,389</b>

Interest rates on variable-interest subordinated loans are determined in advance every 3 months.

## 28 . Other liabilities

	<u>Dec.31, 2025</u>	<u>Dec.31, 2024</u>
Accrued interest payable*	3,230,302	3,854,584
Accrued expenses	4,577,121	4,449,298
Accounts payable	23,328,971	18,550,315
Repos**	523,304	563,568
Other credit balances	1,485,140	307,804
<b>Total</b>	<b>33,144,838</b>	<b>27,725,569</b>

\* Accrued interest payable includes interest accrued on the dues to customers amounting to EGP 2,803 million against EGP 3,427 million in 2024, other loans amounting to EGP 127 million against EGP 90 million in 2024.

\*\* Treasury bills Repos: EGP 523 million against EGP 564 million in 2024.

## 29 . Provisions

Dec.31, 2025	<u>Beginning balance</u>	<u>Net charged / released during the year</u>	<u>Exchange revaluation difference</u>	<u>Net utilized / recovered during the year</u>	<u>Ending balance</u>
Provision for legal claims	119,348	(97,965)	(1,916)	(326)	19,141
ECL for off-balance sheet items	15,606,123	(2,987,628)	(61,605)	-	12,556,890
Provision for other claim	2,898,163	192,002	(14,404)	(7,141)	3,068,620
<b>Total</b>	<b>18,623,634</b>	<b>(2,893,591)</b>	<b>(77,925)</b>	<b>(7,467)</b>	<b>15,644,651</b>

Dec.31, 2024	<u>Beginning balance</u>	<u>Net charged / released during the year</u>	<u>Exchange revaluation difference</u>	<u>Net utilized / recovered during the year</u>	<u>Ending balance</u>
Provision for legal claims	7,246	108,738	3,596	(232)	119,348
ECL for off-balance sheet items	10,670,796	877,489	4,057,838	-	15,606,123
Provision for other claim	417,954	2,377,298	112,265	(9,354)	2,898,163
<b>Total</b>	<b>11,095,996</b>	<b>3,363,525</b>	<b>4,173,699</b>	<b>(9,586)</b>	<b>18,623,634</b>

**Provision for legal claims:** are recognized when the Bank has present legal obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

**ECL provision for off-balance sheet items:** This is a provision provided for withdrawn amounts of issued Letters of Credit (LCs) and Letters of Guarantee (LGs). The provisions provided are short-term and are rolled over every year. please refer to disclosure 17.1

**Provision for other claim:** are recognized to face the potential risk of banking operations obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

## 30 . Issued and paid in capital

	Dec.31, 2025	Dec.31, 2024
Authorized capital	100,000,000	100,000,000
Issued and Paid in Capital	33,779,361	30,431,580
Number of shares outstanding in thousands	3,377,936	3,043,158

	Dec.31, 2025 EGP	Dec.31, 2024 EGP
Par value per share	10	10

- The authorized capital is EGP 100 billion according to the extraordinary general assembly decision on 20 March 2023.
- On December 17, 2025, the capital increased by an amount of EGP 3,070,851 thousand to reach EGP 33,779,361 thousand, according to Ordinary General Assembly Meeting decision on September 25, 2025 by distribution of a one bonus share for every ten shares outstanding, financed from the General Reserve.
- On June 1, 2025, issued and Paid in Capital increased by an amount of EGP 276,930 thousand to reach EGP 30,708,510 thousand, according to Ordinary General Assembly Meeting decision on March 23, 2025, by issuance of 16th tranche for E.S.O.P program.
- On June 6, 2024 issued and Paid in Capital increased by an amount of EGP 236,570 thousand to reach EGP 30,431,580 thousand, according to Ordinary General Assembly Meeting decision on March 25, 2024, by issuance of 15th tranche for E.S.O.P program.

### 31 . Reserves

	Dec.31, 2025	Dec.31, 2024
Legal reserve	8,979,958	6,208,674
General reserve	79,110,551	62,422,792
Capital reserve	25,064	22,818
Reserve for transactions under common control	(670,972)	(670,972)
Cumulative foreign currencies translation differences	842,029	1,137,720
Reserve for financial assets at fair value through OCI	1,996,573	(7,789,896)
General risk reserve	1,577,092	1,550,906
Banking risks reserve	15,296	17,924
Special reserve*	13,145,012	-
<b>Total</b>	<b>105,020,603</b>	<b>62,899,966</b>

\*The net release of 13.1 BEGP related to the recalibration of the corporate PD model has been reallocated from retained earnings to a special reserve. This reserve is non distributable and may not be utilized without prior approval from the Central Bank of Egypt. Furthermore, it will be excluded from the Bank's Capital Adequacy Ratio (CAR) calculation.

#### 31.1 Legal reserve

As required by the Egyptian corporate law 159 of 1981 and the Articles of Association of the Egyptian companies of the Group, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50 % of the issued capital. As required by the Egyptian corporate law 159 of 1981, the reserve may be used upon a decision from the general assembly meeting based on the proposal of the board of directors.

	Dec.31, 2025	Dec.31, 2024
Beginning balance	6,208,674	4,770,354
Transferred from RE to legal reserve	2,771,284	1,438,320
<b>Ending balance</b>	<b>8,979,958</b>	<b>6,208,674</b>

#### 31.2 General reserve

As required by the Egyptian corporate law 159 of 1981, the reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

	Dec.31, 2025	Dec.31, 2024
Beginning balance	62,422,792	39,840,707
Transferred to general reserve	19,758,610	22,582,085
Capital increase	(3,070,851)	-
<b>Ending balance</b>	<b>79,110,551</b>	<b>62,422,792</b>

#### 31.3 Capital reserve

Represents sales of Bank Obsolete assets.

	Dec.31, 2025	Dec.31, 2024
Beginning balance	22,818	21,155
Transferred to capital reserve	2,246	1,663
<b>Ending balance</b>	<b>25,064</b>	<b>22,818</b>

#### 31.4 Cumulative foreign currencies translation differences

	Dec.31, 2025	Dec.31, 2024
Beginning balance	1,137,720	148,353
Transferred to cumulative foreign currencies translation	(295,691)	989,367
<b>Ending balance</b>	<b>842,029</b>	<b>1,137,720</b>

### 31.5 Reserve for FVOCI investments revaluation difference

This reserve records fair value changes on FVOCI investments.

	Dec.31, 2025	Dec.31, 2024
Beginning balance	(7,789,896)	(17,313,043)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	(111,370)	(370,224)
Net change on financial assets at fair value through OCI after tax	9,937,984	8,956,422
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(40,145)	936,949
<b>Ending balance</b>	<b>1,996,573</b>	<b>(7,789,896)</b>

### 31.6 General risk reserve

Required reserve by Central bank of Egypt to face the impact of applying IFRS9.

	Dec.31, 2025	Dec.31, 2024
Beginning balance	1,550,906	1,550,906
Transferred to general risk reserve	26,186	-
<b>Ending balance</b>	<b>1,577,092</b>	<b>1,550,906</b>

### 31.7 Banking risks reserve

Represents 10% of valuation amount for assets acquired as settlement of debt not yet sold after 5 years of ownership.

	Dec.31, 2025	Dec.31, 2024
Beginning balance	17,924	15,230
Transferred from RE to banking risk reserve	(2,628)	2,694
<b>Ending balance</b>	<b>15,296</b>	<b>17,924</b>

### 31.8 Retained earnings

	Dec.31, 2025	Dec.31, 2024
Beginning balance	51,590,097	27,442,585
Transferred to reserves	(21,744,828)	(23,398,943)
Transferred (from) to banking risk reserve	2,628	(2,694)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOC	111,370	370,224
Dividends paid	(8,993,602)	(2,379,819)
Net profit of the year	75,460,219	49,558,744
Transferred to general risk reserve	(26,186)	-
Transferred from net profit to special reserve	(13,145,012)	-
<b>Ending balance</b>	<b>83,254,686</b>	<b>51,590,097</b>

### 31.9 Reserve for employee stock ownership plan

Represents cost of employees' stock ownership plan (ESOP)

	Dec.31, 2025	Dec.31, 2024
Beginning balance	1,868,235	1,486,010
Transferred to general reserve	(787,312)	(623,125)
Cost of employees' stock ownership plan (ESOP)	1,262,609	1,005,350
<b>Ending balance</b>	<b>2,343,532</b>	<b>1,868,235</b>

### 31.10 Dividends

Dividends are not recognized prior to the approval of their distribution by shareholders at the Annual General Assembly meeting.

## 32 . Cash and cash equivalent

	Dec.31, 2025	Dec.31, 2024
Cash and cash equivalents	20,002,406	21,752,997
Due from banks with maturities of 3 months or less	120,525,563	203,103,430
Treasury bills and other governmental notes with maturities of three months or less	14,587	1,618,665
<b>Total</b>	<b>140,542,556</b>	<b>226,475,092</b>

### 33 . Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, the Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees must complete a term of 3 years of service in the bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting year (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest. The fair value for such equity instruments is measured using the Black-Scholes pricing model.

Details of the rights to share outstanding during the year are as follows:

	Dec.31, 2025 <u>No. of shares in Thousands</u>	Dec.31, 2024 <u>No. of shares in Thousands</u>
Outstanding at the beginning of the year	75,874	80,013
Granted during the year	33,469	22,869
Forfeited during the year	(2,992)	(3,351)
Exercised during the year	(27,693)	(23,657)
<b>Outstanding at the end of the year</b>	<b>78,658</b>	<b>75,874</b>

Details of the outstanding tranches are as follows:

Maturity date	EGP	EGP	<u>No. of shares in thousand</u>
	<u>Exercise price</u>	<u>Fair value</u>	
2026	10.00	30.99	27,336
2027	10.00	60.14	23,186
2028	10.00	60.44	28,136
<b>Total</b>			<b>78,658</b>

The fair value of granted shares is calculated using Black-Scholes pricing model with the following inputs into the model :

	<u>19th tranche</u>	<u>18th tranche</u>
Exercise price	10	10
Current share price	78.5	72.65
Expected life (years)	3	3
Risk free rate %	23.98%	23.99%
Dividend yield %	3.20%	0.80%
Volatility %	38.28%	36.79%

Volatility is calculated based on the standard deviation of returns for the last five years.

	Dec.31, 2025	Dec.31, 2024
Expense arising from equity-settled share-based payment transactions	1,262,609	1,005,350

Details of the outstanding tranches are as follows:

	EGP	EGP
	<u>Exercise price</u>	<u>Average market value during the year</u>
2024	10.00	80.60
2025	10.00	99.23

## 34. Financial Risk Management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also, market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

### 34.1. Credit Risk

The Bank takes on exposure to credit risk, which is the risk that the counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities, derivatives, due from banks, other loans and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments.

#### 34.1.1. Credit Risk Measurement

##### 34.1.1.1. Loans and Advances to Banks and Customers

In measuring credit risk of loans and facilities to banks and customers at a counterparty level, the Bank reflects three components:

- The 'probability of default' by the client or counterparty on its contractual obligations
- Current exposures to the counterparty and its likely future development, from which the Bank derive the exposure at default.
- The likely recovery ratio on the defaulted obligations (the 'loss given default').

These credit risk measurements, which reflect expected loss that required by the Basel committee on banking regulations and the supervisory practices (the Basel committee) & IFRS 9 guidelines, and are embedded in the Bank's daily operational management.

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate. Clients of the Bank are segmented into four rating classes. The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Bank regularly validates the performance of the rating and their predictive power with regard to default events.

<u>Bank's rating</u>	<u>Description of the rating</u>	<u>Credit Rating</u>
1	Low risk	High-Grade
2	Average risk	High-Grade
3	Satisfactory risk	High-Grade
4	Reasonable risk	High-Grade
5	Acceptable risk	High-Grade
6	Marginally acceptable risk	Standard
7	Watch list	Sub-Standard
8	Substandard	Non-Performing Loans
9	Doubtful	Non-Performing Loans
10	Bad debts	Non-Performing Loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

#### 34.1.1.2. Debt Instruments, Treasury Bills and Other Governmental Notes

For debt instruments and bills, ratings by external rating agencies are used for assessing of the credit risk exposures.

The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

#### 34.1.2. Risk Limit Control and Mitigation Policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

##### 34.1.2.1. Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

##### 34.1.2.2. Credit Related Commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an

amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

### 34.1.3. Impairment and Provisioning Policies

The internal rating system focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been expected at the balance sheet date when there is objective evidence of impairment. The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses.

#### Amounts in EGP millions

Bank's rating	31-Dec-25		
	Loans and advances	Impairment provision	Net Loans and advances
1-High Grade	518,129	18,435	499,694
2-Standard	52,194	11,786	40,408
3-Sub Standard	810	772	38
4-Non-Performing Loans	9,909	7,654	2,255
<b>Total</b>	<b>581,042</b>	<b>38,647</b>	<b>542,395</b>

Bank's rating	31-Dec-24		
	Loans and advances	Impairment provision	Net Loans and advances
1-High Grade	342,675	24,907	317,768
2-Standard	43,394	11,087	32,307
3-Sub Standard	2,975	2,724	251
4-Non-Performing Loans	13,202	10,429	2,773
<b>Total</b>	<b>402,246</b>	<b>49,148</b>	<b>353,098</b>

The Bank's internal rating and PD estimation process continued.

### Consumer Lending and Retail Mortgages

Consumer lending comprises unsecured personal loans, credit cards and overdrafts. These products along with retail mortgages and some of the less complex small business lending are rated by an automated scorecard tool primarily driven by days past due. Other key inputs into the models are:

- Consumer lending products: use of limits and volatility thereof, GDP growth, unemployment rates, changes in personal income/salary level based on records of current accounts, personal indebtedness and expected interest repricing.
- Retail mortgages: GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing.

### Non-performing

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower
- Deterioration of the collateral value
- Deterioration of the credit situation

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require. Impairment provisions on individually assessed accounts are determined by an evaluation of the expected loss at balance-sheet date, and are applied to all significant accounts individually. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

### 34.1.4. Maximum exposure to credit risk before collateral held

	Dec. 31, 2025	Dec. 31, 2024
<b>In balance sheet items exposed to credit risk</b>		
Gross Due from banks	135,369,231	270,833,659
ECL	(132,682)	(3,825)
Gross loans and advances to banks	34,781,349	9,863,221
Unamortized discounted bank loans	(254,104)	(174,320)
ECL	(86,475)	(133,491)
<b>Gross loans and advances to customers</b>		
<b>Individual:</b>		
- Overdraft	3,174,190	3,731,857
- Credit cards	18,234,061	15,027,813
- Personal loans	63,053,375	54,941,264
- Mortgages	7,997,385	5,794,632
<b>Corporate:</b>		
- Overdraft	113,965,193	87,461,400
- Direct loans	259,575,740	144,428,805
- Syndicated loans	78,572,993	79,963,890
- Other loans	1,687,298	1,033,383
Unamortized bills discount	(82,363)	(238,286)
Unamortized syndicated loans discount	(40,820)	(84,093)
ECL	(34,687,756)	(45,481,562)
Suspended credit account	(3,495,530)	(3,036,429)
Derivative financial instruments	620,349	819,711
<b>Financial investments:</b>		
-Debt instruments	608,717,388	401,640,489
Other assets (Accrued revenues)	38,524,051	35,151,259
<b>Total</b>	<b>1,325,492,873</b>	<b>1,061,539,377</b>
<b>Off balance sheet items exposed to credit risk</b>		
Financial guarantees	5,679,754	7,052,997
Customers' acceptances and other contingent liabilities	10,725,829	11,932,613
Letters of credit (import and export)	12,928,493	19,179,770
Letters of guarantee	274,727,269	257,993,539
<b>Total</b>	<b>304,061,345</b>	<b>296,158,919</b>

#### December 2025

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2025, before taking into account any held collateral.

As shown above 40.92% of the total maximum exposure is derived from loans and advances to banks and customers while investments in debt instruments represents 45.92%.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and advances portfolio and debt instruments based on the following:

- 98.16% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system.
- Loans and advances assessed individually are valued EGP 9,933,490.
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2025.
- 73.75% of the investments in debt Instruments are Egyptian sovereign instruments.

#### December 2024

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2024, before taking into account any held collateral.

As shown above 33.26% of the total maximum exposure is derived from loans and advances to banks and customers while investments in debt instruments represents 37.84%.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and advances portfolio and debt instruments based on the following:

- 95.98% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system.
- Loans and advances assessed individually are valued EGP 13,254,953.
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2024.
- 86.51% of the investments in debt Instruments are Egyptian sovereign instruments.

### 34.1.5. Concentration of risks of financial assets with credit risk exposure

#### 34.1.5.1. Geographical analysis

The following table is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

The Bank has allocated exposures to regions based on the country of domicile of its counterparties.

Dec.31, 2025	Greater Cairo	Alex, Delta and Sinai	Upper Egypt	Outside Egypt	Total
Gross due from banks	51,627,992	-	-	83,741,239	135,369,231
ECL	(132,632)	-	-	(50)	(132,682)
Gross loans and advances to banks	10,708,372	-	-	24,072,977	34,781,349
ECL	(22,872)	-	-	(63,603)	(86,475)
Unamortized discounted bank loans	(161,544)	-	-	(92,560)	(254,104)
<b>Gross loans and advances to customers</b>					
<b>Individual:</b>					
- Overdrafts	2,174,371	724,380	179,190	96,249	3,174,190
- Credit cards	14,514,846	3,043,784	675,431	-	18,234,061
- Personal loans	45,246,561	13,961,667	3,780,555	64,592	63,053,375
- Mortgages	7,771,755	177,289	27,374	20,967	7,997,385
<b>Corporate:</b>					
- Overdrafts	99,372,317	11,731,404	1,547,489	1,313,983	113,965,193
- Direct loans	200,703,890	42,404,115	14,069,364	2,398,371	259,575,740
- Syndicated loans	76,619,600	1,953,393	-	-	78,572,993
- Other loans	1,043,029	644,269	-	-	1,687,298
Unamortized bills discount	(74,102)	(8,261)	-	-	(82,363)
Unamortized syndicated loans discount	(40,820)	-	-	-	(40,820)
ECL	(29,209,212)	(2,696,207)	(2,566,106)	(216,231)	(34,687,756)
Suspended credit account	(3,090,816)	-	(404,714)	-	(3,495,530)
Derivative financial instruments	118,150	-	-	502,199	620,349
<b>Financial investments:</b>					
-Debt instruments	491,484,028	-	-	117,233,360	608,717,388
<b>Total</b>	<b>968,652,913</b>	<b>71,935,833</b>	<b>17,308,583</b>	<b>229,071,493</b>	<b>1,286,968,822</b>

Dec.31, 2024	Greater Cairo	Alex, Delta and Sinai	Upper Egypt	Outside Egypt	Total
Gross due from banks	201,412,533	-	-	69,421,126	270,833,659
ECL	-	-	-	(3,825)	(3,825)
Gross loans and advances to banks	3,558,716	-	-	6,304,505	9,863,221
ECL	(6,245)	-	-	(127,246)	(133,491)
Unamortized discounted bank loans	(57,131)	-	-	(117,189)	(174,320)
<b>Gross loans and advances to customers</b>					
<b>Individual:</b>					
- Overdrafts	2,609,592	812,452	269,030	40,783	3,731,857
- Credit cards	12,008,842	2,522,141	496,830	-	15,027,813
- Personal loans	39,020,961	12,567,869	3,289,287	63,147	54,941,264
- Mortgages	5,558,112	185,198	30,006	21,316	5,794,632
<b>Corporate:</b>					
- Overdrafts	77,164,832	6,879,654	2,832,639	584,275	87,461,400
- Direct loans	93,270,978	38,577,326	10,759,882	1,820,619	144,428,805
- Syndicated loans	77,801,024	2,162,866	-	-	79,963,890
- Other loans	478,683	554,700	-	-	1,033,383
Unamortized bills discount	(231,463)	(6,823)	-	-	(238,286)
Unamortized syndicated loans discount	(84,093)	-	-	-	(84,093)
ECL	(35,483,422)	(5,495,566)	(4,294,283)	(208,291)	(45,481,562)
Suspended credit account	(3,020,028)	(336)	(16,065)	-	(3,036,429)
Derivative financial instruments	-	-	-	819,711	819,711
<b>Financial investments:</b>					
-Debt instruments	378,088,477	-	-	23,552,012	401,640,489
<b>Total</b>	<b>852,090,368</b>	<b>58,759,481</b>	<b>13,367,326</b>	<b>102,170,943</b>	<b>1,026,388,118</b>

### 34.1.5.2. Industry analysis

The following table analyses the Banks's main credit exposure at their book value categorized by the Bank's customers activities.

Dec.31, 2025	<u>Financial</u>				<u>Wholesale and retail</u>		<u>Government sector</u>	<u>Services</u>	<u>Individual</u>	<u>Total</u>
	<u>institutions</u>	<u>Manufacturing</u>	<u>Real Estate</u>	<u>Agricultural</u>	<u>trade</u>					
Gross Due from banks	135,369,231	-	-	-	-	-	-	-	-	135,369,231
ECL	(132,682)	-	-	-	-	-	-	-	-	(132,682)
Gross loans and advances to banks	34,781,349	-	-	-	-	-	-	-	-	34,781,349
ECL	(86,475)	-	-	-	-	-	-	-	-	(86,475)
Unamortized discounted bank loans	(254,104)	-	-	-	-	-	-	-	-	(254,104)
<b>Gross loans and advances to customers</b>										
<b>Individual:</b>										
- Overdrafts	-	-	-	-	-	-	-	-	3,174,190	3,174,190
- Credit cards	-	-	-	-	-	-	-	-	18,234,061	18,234,061
- Personal loans	-	-	-	-	-	-	-	-	63,053,375	63,053,375
- Mortgages	-	-	-	-	-	-	-	-	7,997,385	7,997,385
<b>Corporate:</b>										
- Overdrafts	8,345,431	23,633,102	17,378,672	1,349,180	6,361,214	10,919,201	45,978,393	-	-	113,965,193
- Direct loans	18,037,650	76,923,818	4,350,827	5,078,862	17,887,780	72,024,040	65,272,763	-	-	259,575,740
- Syndicated loans	165,424	5,486,605	8,713,733	-	-	55,293,059	8,914,172	-	-	78,572,993
- Other loans	-	1,589,890	-	97,408	-	-	-	-	-	1,687,298
Unamortized bills discount	-	-	(57,984)	-	(11,640)	-	(12,739)	-	-	(82,363)
Unamortized syndicated loans discount	-	-	(40,820)	-	-	-	-	-	-	(40,820)
ECL	(200,762)	(7,733,967)	(461,473)	(94,563)	(564,744)	(6,639,004)	(14,522,479)	(4,470,764)	-	(34,687,756)
Suspended credit account	-	(510,541)	-	-	(649)	-	(2,984,340)	-	-	(3,495,530)
Derivative financial instruments	578,461	38,204	-	3,665	-	-	19	-	-	620,349
<b>Financial investments:</b>										
-Debt instruments	52,420,688	-	-	-	523,304	555,773,396	-	-	-	608,717,388
<b>Total</b>	<b>249,024,211</b>	<b>99,427,111</b>	<b>29,882,955</b>	<b>6,434,552</b>	<b>24,195,265</b>	<b>687,370,692</b>	<b>102,645,789</b>	<b>87,988,247</b>	<b>87,988,247</b>	<b>1,286,968,822</b>

The following table analysis the Group's main credit exposure at their book value categorized by the Bank customers activities as of 31 Dec 2024.

Dec.31, 2024	<u>Financial institutions</u>	<u>Manufacturing</u>	<u>Real Estate</u>	<u>Agricultural</u>	<u>Wholesale and retail trade</u>	<u>Government sector</u>	<u>Services</u>	<u>Individual</u>	<u>Total</u>
Gross Due from banks	270,833,659	-	-	-	-	-	-	-	270,833,659
ECL	(3,825)	-	-	-	-	-	-	-	(3,825)
Gross loans and advances to banks	9,863,221	-	-	-	-	-	-	-	9,863,221
ECL	(133,491)	-	-	-	-	-	-	-	(133,491)
Unamortized discounted bank loans	(174,320)	-	-	-	-	-	-	-	(174,320)
<b>Gross loans and advances to customers</b>									
<b>Individual:</b>									
- Overdrafts	-	-	-	-	-	-	-	3,731,857	3,731,857
- Credit cards	-	-	-	-	-	-	-	15,027,813	15,027,813
- Personal loans	-	-	-	-	-	-	-	54,941,264	54,941,264
- Mortgages	-	-	-	-	-	-	-	5,794,632	5,794,632
<b>Corporate:</b>									
- Overdrafts	8,676,197	16,048,860	10,052,386	782,399	3,570,520	8,030,733	40,300,305	-	87,461,400
- Direct loans	6,522,089	63,041,058	3,484,006	4,287,602	12,745,207	12,855,022	41,493,821	-	144,428,805
- Syndicated loans	485,355	5,614,643	5,592,613	-	-	61,869,100	6,402,179	-	79,963,890
- Other loans	-	944,005	-	89,378	-	-	-	-	1,033,383
Unamortized bills discount	-	(7,677)	(160,872)	-	-	-	(69,707)	(30)	(238,286)
Unamortized syndicated loans discount	-	-	(84,093)	-	-	-	-	-	(84,093)
ECL	(690,903)	(10,482,288)	(1,478,679)	(161,359)	(744,929)	(7,155,641)	(20,942,525)	(3,825,238)	(45,481,562)
Suspended credit account	-	(481,425)	-	-	(979)	-	(2,554,025)	-	(3,036,429)
Derivative financial instruments	819,711	-	-	-	-	-	-	-	819,711
<b>Financial investments:</b>									
-Debt instruments	31,938,011	-	-	-	-	369,702,478	-	-	401,640,489
<b>Total</b>	<b>328,135,704</b>	<b>74,677,176</b>	<b>17,405,361</b>	<b>4,998,020</b>	<b>15,569,819</b>	<b>445,301,692</b>	<b>64,630,048</b>	<b>75,670,298</b>	<b>1,026,388,118</b>

### 34.2. Market risk

Market Risks represent the potential losses resulting from unfavorable movements in market prices that may negatively affect the values of the bank's investment positions linked to the bank's balance sheet as a whole, which in turn affects the bank's profitability and its capital base. These investments are represented in debt instruments in addition to the currency exchange rate risks. Market risk results from open positions of the rate of return, and currencies, as each of them is exposed to general and specific risks in the market and changes in the level of sensitivity to market rates or to prices such as interest rates, and exchange. The bank distinguishes between the trading book portfolio and the banking book portfolio in measuring market risks, as the trading portfolio includes instruments held for the purpose of resale or taken by the bank to benefit in the short term from the actual or expected difference between the buying and selling prices or benefiting from any changes that may occur in the return rates and any other prices that affect the trading portfolio, in addition to the financial derivative positions used for the purpose of hedging. The banking book portfolio for non-trading purposes includes instruments acquired that are salable or held until settlement dates and managing the return rate of assets and liabilities. As part of market risk management, the bank performs several hedging strategies, as well as entering into interest rate swap contracts in order to balance the risk associated with debt instruments and long-term loans. Periodic reports on market risks are submitted to the Board of Directors and the members of the Assets and Liabilities Committee (ALCO).

### 34.2.1 Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed (1 Day). The Bank assesses the historical movements in the market prices based on volatilities and correlations. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board. In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

### 34.2.2 Stress tests

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

### 34.2.3 Value at risk (VaR) Summary

	Last 12 months ended 31/12/2025			Last 12 months ended 31/12/2024		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	37,962	99,760	898	36,295	100,953	656
Interest rate risk	382,120	614,645	142,029	371,110	767,629	170,967
<b>Total VaR</b>	<b>361,803</b>	<b>582,153</b>	<b>114,561</b>	<b>318,479</b>	<b>508,111</b>	<b>164,078</b>

The three previous outcomes of the VAR were calculated independently from the positions involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank's risk value because of the correlation between types of risks.

#### 34.2.4. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate, which are monitored daily. The table below summarizes the Bank's exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

Dec.31, 2025	Equivalent in EGP					
	<u>EGP</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Other</u>	<u>Total</u>
<b>Financial assets</b>						
Cash and cash equivalents	6,020,880	8,273,982	3,690,367	307,174	1,710,003	20,002,406
Balances at the central bank	68,874,046	-	-	-	-	68,874,046
Gross due from banks	10	110,186,250	22,946,066	1,745,226	491,679	135,369,231
Gross loans and advances to banks	-	33,154,478	1,626,871	-	-	34,781,349
Gross loans and advances to customers	439,768,607	93,581,769	10,576,593	53,369	2,279,897	546,260,235
Derivative financial instruments	121,331	499,018	-	-	-	620,349
<b>Financial investments</b>						
Gross financial investment securities	414,133,115	181,814,536	14,459,783	645,948	2,932,651	613,986,033
<b>Total financial assets</b>	<b>928,917,989</b>	<b>427,510,033</b>	<b>53,299,680</b>	<b>2,751,717</b>	<b>7,414,230</b>	<b>1,419,893,649</b>
<b>Financial liabilities</b>						
Due to banks	904,165	2,346,790	24,081	4,629	74,081	3,353,746
Due to customers	678,325,974	377,742,619	43,968,322	3,305,988	7,052,790	1,110,395,693
Derivative financial instruments	111,819	25,983	-	-	-	137,802
Issued debt instruments	-	4,761,558	-	-	-	4,761,558
Other loans	280,192	28,863,211	1,328,096	-	-	30,471,499
<b>Total financial liabilities</b>	<b>679,622,150</b>	<b>413,740,161</b>	<b>45,320,499</b>	<b>3,310,617</b>	<b>7,126,871</b>	<b>1,149,120,298</b>
<b>Net on-balance sheet financial position</b>	<b>249,295,839</b>	<b>13,769,872</b>	<b>7,979,181</b>	<b>(558,900)</b>	<b>287,359</b>	<b>270,773,351</b>

Dec.31, 2024	<u>EGP</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Other</u>	Equivalent in EGP <u>Total</u>
<b>Financial assets</b>						
Cash and cash equivalents	5,758,644	10,117,737	3,736,591	347,889	1,792,136	<b>21,752,997</b>
Balances at the central bank	114,778,023	-	-	-	-	<b>114,778,023</b>
Gross due from banks	60,000,010	178,453,499	28,718,601	2,911,143	750,406	<b>270,833,659</b>
Gross loans and advances to banks	-	9,863,221	-	-	-	<b>9,863,221</b>
Gross loans and advances to customers	281,873,581	100,924,708	7,458,984	15,653	2,110,118	<b>392,383,044</b>
Derivative financial instruments	25,383	794,328	-	-	-	<b>819,711</b>
<b>Financial investments</b>						
Financial investment securities	286,342,315	108,558,196	6,268,029	630,363	1,862,033	<b>403,660,936</b>
<b>Total financial assets</b>	<b>748,777,956</b>	<b>408,711,689</b>	<b>46,182,205</b>	<b>3,905,048</b>	<b>6,514,693</b>	<b>1,214,091,591</b>
<b>Financial liabilities</b>						
Due to banks	606,118	1,381,489	39,245	8,033	-	<b>2,034,885</b>
Due to customers	562,424,161	362,687,629	37,340,640	3,881,674	6,261,854	<b>972,595,958</b>
Derivative financial instruments	40,666	59,905	-	-	-	<b>100,571</b>
Issued debt instruments	-	5,067,781	-	-	-	<b>5,067,781</b>
Other loans	166,073	22,917,007	879,309	-	-	<b>23,962,389</b>
<b>Total financial liabilities</b>	<b>563,237,018</b>	<b>392,113,811</b>	<b>38,259,194</b>	<b>3,889,707</b>	<b>6,261,854</b>	<b>1,003,761,584</b>
<b>Net on-balance sheet financial position</b>	<b>185,540,938</b>	<b>16,597,878</b>	<b>7,923,011</b>	<b>15,341</b>	<b>252,839</b>	<b>210,330,007</b>

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant.

The impact on the Bank's profit before tax is due to changes in the fair value of monetary assets and liabilities.

The Bank's exposure to foreign currency changes for all other currencies is not material.

	<b>Change in USD rate</b>	<b>Effect on profit before tax</b>
<b>2025</b>	<b>+10%</b>	<b>1,376,987</b>
	<b>-10%</b>	<b>(1,376,987)</b>
2024	+10%	1,659,788
	-10%	(1,659,788)
	<b>Change in EUR rate</b>	<b>Effect on profit before tax</b>
<b>2025</b>	<b>+10%</b>	<b>797,918</b>
	<b>-10%</b>	<b>(797,918)</b>
2024	+10%	792,301
	-10%	(792,301)

### 34.2.5. Interest rate risk

The Bank addresses exposure to the effects of fluctuations in the prevailing levels of market interest rates that arises from the re-pricing maturity structure of interest-sensitive assets and liabilities. It is assessed for both the earnings and economic value perspectives. The Board sets limits on the interest rate repricing gaps that may be undertaken, which is monitored by the bank's Risk Management Department.

Dec.31, 2025	<u>Up to1 Month</u>	<u>1-3 Months</u>	<u>3-12 Months</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Non- Interest Bearing</u>	<u>Total</u>
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	-	-	20,002,406	20,002,406
Balances at the central bank						68,874,046	68,874,046
Gross due from banks	82,747,836	47,494,101	1,401,533	-	-	3,725,761	135,369,231
Gross loans and advances to banks	1,849,816	718,563	16,823,331	15,389,639	-	-	34,781,349
Gross loans and advances to customers	388,788,012	85,905,709	33,381,620	28,916,525	9,268,369	-	546,260,235
Derivatives financial instruments	144,815	74,437	6,213	394,884	-	-	620,349
<b>Financial investments</b>							
Gross financial investment securities	82,525,377	49,470,873	126,798,736	268,915,084	84,359,854	1,916,109	613,986,033
<b>Total financial assets</b>	<b>556,055,856</b>	<b>183,663,683</b>	<b>178,411,433</b>	<b>313,616,132</b>	<b>93,628,223</b>	<b>94,518,322</b>	<b>1,419,893,649</b>
<b>Financial liabilities</b>							
Due to banks	614,255	-	-	-	-	2,739,491	3,353,746
Due to customers	543,070,143	99,989,993	153,012,884	112,056,696	427,910	201,838,067	1,110,395,693
Derivatives financial instruments	3,885	67,707	40,227	25,983	-	-	137,802
Issued debt instruments	-	-	4,761,558	-	-	-	4,761,558
Other loans	55,791	20,811,308	8,551,816	1,005,313	47,271	-	30,471,499
<b>Total financial liabilities</b>	<b>543,744,074</b>	<b>120,869,008</b>	<b>166,366,485</b>	<b>113,087,992</b>	<b>475,181</b>	<b>204,577,558</b>	<b>1,149,120,298</b>
<b>Total interest re-pricing gap</b>	<b>12,311,782</b>	<b>62,794,675</b>	<b>12,044,948</b>	<b>200,528,140</b>	<b>93,153,042</b>	<b>(110,059,236)</b>	<b>270,773,351</b>

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2024	<u>Up to1 Month</u>	<u>1-3 Months</u>	<u>3-12 Months</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Non- Interest Bearing</u>	<u>Total</u>
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	-	-	21,752,997	<b>21,752,997</b>
Balances at the central bank	-	-	-	-	-	114,778,023	<b>114,778,023</b>
Gross due from banks	202,094,616	58,448,384	8,134,208	-	-	2,156,451	<b>270,833,659</b>
Gross loans and advances to banks	865,924	1,499,745	5,972,388	1,525,164	-	-	<b>9,863,221</b>
Gross loans and advances to customers	279,572,830	38,999,154	27,654,182	36,427,355	9,729,523	-	<b>392,383,044</b>
Derivatives financial instruments	22,278	3,106	-	111,707	682,620	-	<b>819,711</b>
<b>Financial investments</b>							
Gross financial investment securities	68,934,335	40,232,961	107,601,111	155,241,888	30,686,376	964,265	<b>403,660,936</b>
<b>Total financial assets</b>	<b>551,489,983</b>	<b>139,183,350</b>	<b>149,361,889</b>	<b>193,306,114</b>	<b>41,098,519</b>	<b>139,651,736</b>	<b>1,214,091,591</b>
<b>Financial liabilities</b>							
Due to banks	755,973	-	-	-	-	1,278,912	<b>2,034,885</b>
Due to customers	424,433,749	102,410,795	91,272,609	191,347,017	551,155	162,580,633	<b>972,595,958</b>
Derivatives financial instruments	37,684	2,982	59,905	-	-	-	<b>100,571</b>
Issued debt instruments	-	-	-	5,067,781	-	-	<b>5,067,781</b>
Other loans	36,823	14,817,798	8,451,161	656,607	-	-	<b>23,962,389</b>
<b>Total financial liabilities</b>	<b>425,264,229</b>	<b>117,231,575</b>	<b>99,783,675</b>	<b>197,071,405</b>	<b>551,155</b>	<b>163,859,545</b>	<b>1,003,761,584</b>
<b>Total interest re-pricing gap</b>	<b>126,225,754</b>	<b>21,951,775</b>	<b>49,578,214</b>	<b>(3,765,291)</b>	<b>40,547,364</b>	<b>(24,207,809)</b>	<b>210,330,007</b>

### Interest rate sensitivity

Sensitivity Analysis extends Gap Analysis by focusing on changes in the bank's earnings, due to changes in Interest Rates and Balance Sheet Interest Sensitive items composition.

Defined as the impact on the bank's consolidated Net Income over the following 12 months, based on adverse changes in Interest Rates.

	Increase / decrease in basis points	Effect on P&L
<b>2025</b>		
EGP	+ 100 bps	568,610
USD	+ 100 bps	(272,546)
EUR	+ 100 bps	85,740
EGP	- 100 bps	(568,610)
USD	- 100 bps	272,546
EUR	- 100 bps	(85,740)
<b>2024</b>		
EGP	+ 100 bps	630,420
USD	+ 100 bps	651,609
EUR	+ 100 bps	161,895
EGP	- 100 bps	(630,420)
USD	- 100 bps	(651,609)
EUR	- 100 bps	(161,895)

### 34.3. Liquidity risk

Liquidity risk specifies the Bank's inability to replace withdrawn funds and meet consequential payment obligations due to the fall of financial liabilities. The consequence may be the failure to meet obligations to repay deposits and fulfill commitments to lend.

#### 34.3.1 Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections are an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

#### 34.3.2. Funding approach

Sources of liquidity are regularly reviewed jointly by the bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification by currency, provider, product and term.

#### 34.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non-contractual products on the basis of their behavior studies, at balance sheet date.

Dec.31, 2025	<u>Up to 1 month</u>	<u>One to three months</u>	<u>Three months to one year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
<b>Financial liabilities</b>						
Due to banks	5,402,598	-	-	-	-	5,402,598
Due to customers	132,331,378	100,974,853	417,587,301	537,452,616	24,238,228	1,212,584,376
Other loans	60,590	792,588	3,402,638	24,402,231	15,489,922	44,147,969
Issued Debt Instruments	15,722	29,923	4,814,304	-	-	4,859,949
<b>Total liabilities (contractual and non contractual maturity dates)</b>	<b>137,810,288</b>	<b>101,797,364</b>	<b>425,804,243</b>	<b>561,854,847</b>	<b>39,728,150</b>	<b>1,266,994,892</b>
Cash and cash equivalents	19,381,238	-	-	-	-	19,381,238
Due From CBE	2,807,364	41,782,230	-	54,962,092	13,740,511	113,292,197
Due From Local Banks	7,305,058	-	-	-	-	7,305,058
Due From Foreign Banks	78,122,535	5,792,062	1,456,705	-	-	85,371,302
Financial Investment securities	17,064,996	52,693,096	169,008,540	473,899,594	91,990,346	804,656,572
Loans & Overdraft	88,309,247	69,037,198	193,815,949	246,309,830	161,108,053	758,580,277
<b>Total financial assets (contractual and non contractual maturity dates)</b>	<b>212,990,438</b>	<b>169,304,586</b>	<b>364,281,194</b>	<b>775,171,516</b>	<b>266,838,910</b>	<b>1,788,586,644</b>

The disclosed figures cannot be compared with the corresponding items in the financial statements, as they include the principal amount and their related interest.

Dec.31, 2024	<u>Up to 1 month</u>	<u>One to three months</u>	<u>Three months to one year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
<b>Financial liabilities</b>						
Due to banks	2,441,383	-	-	-	-	2,441,383
Due to customers	103,351,017	111,496,713	303,775,991	563,348,559	18,359,616	1,100,331,896
Other loans	39,963	400,705	2,567,007	19,128,652	14,367,883	36,504,210
Issued Debt Instruments	16,767	31,911	148,739	5,172,710	-	5,370,127
<b>Total liabilities (contractual and non contractual maturity dates)</b>	<b>105,849,130</b>	<b>111,929,329</b>	<b>306,491,737</b>	<b>587,649,921</b>	<b>32,727,499</b>	<b>1,144,647,616</b>
Cash and cash equivalents	21,637,855	-	-	-	-	21,637,855
Due From CBE	61,743,929	38,492,383	-	91,610,576	22,902,624	214,749,512
Due From Local Banks	101,896,627	-	-	-	-	101,896,627
Due From Foreign Banks	41,022,615	19,899,298	8,251,065	-	-	69,172,978
Financial investments securities	7,038,979	20,925,093	76,571,465	342,517,037	46,822,480	493,875,054
Loans & Overdraft	65,354,160	59,742,314	151,444,076	165,058,891	57,362,158	498,961,599
<b>Total financial assets (contractual and non contractual maturity dates)</b>	<b>298,694,165</b>	<b>139,059,088</b>	<b>236,266,606</b>	<b>599,186,504</b>	<b>127,087,262</b>	<b>1,400,293,625</b>

The disclosed figures cannot be compared with the corresponding items in the financial statements, as they include the principal amount and their related interest.

#### 34.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC), exchange traded forwards currency options that will be settled on a gross basis.

Interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts futures and exchange traded that will be settled on a net basis.

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

#### Other financial liabilities

Dec.31, 2025	<u>Up to 1 month</u>	<u>One to three months</u>	<u>Three months to one year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
<b>Liabilities</b>						
<b>Derivatives financial instruments</b>						
Inflows	144,813	74,438	6,213	394,885	-	620,349
Outflows	(3,885)	(67,707)	(40,227)	(25,983)	-	(137,802)
<b>Net</b>	<b>140,928</b>	<b>6,731</b>	<b>(34,014)</b>	<b>368,902</b>	<b>-</b>	<b>482,547</b>

Dec.31, 2024	<u>Up to 1 month</u>	<u>One to three months</u>	<u>Three months to one year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
<b>Liabilities</b>						
<b>Derivatives financial instruments</b>						
Inflows	22,278	3,106	-	111,707	682,620	819,711
Outflows	(37,684)	(2,982)	(59,905)	-	-	(100,571)
<b>Net</b>	<b>(15,406)</b>	<b>124</b>	<b>(59,905)</b>	<b>111,707</b>	<b>682,620</b>	<b>719,140</b>

#### Letters of credit, guarantees and other commitments

	<u>Up to 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Dec.31, 2025	185,492,666	84,352,182	28,536,743	298,381,591
Dec.31, 2024	170,432,493	88,422,355	30,251,074	289,105,922

Dec.31, 2025	<u>Up to 1 year</u>	<u>1-5 years</u>	<u>Total</u>
Credit facilities commitments	3,865,188	2,799,688	6,664,876
<b>Total</b>	<b>3,865,188</b>	<b>2,799,688</b>	<b>6,664,876</b>

**34.3.5. Balance sheet by maturity**
**Dec. 31, 2025**

	<u>1 year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
<b>Financial liabilities</b>				
Due to banks	3,353,746	-	-	3,353,746
Due to customers	997,911,087	112,056,696	427,910	1,110,395,693
Other loans	29,418,915	1,005,313	47,271	30,471,499
Issued Debt Instruments	4,761,558	-	-	4,761,558
<b>Total liabilities</b>	<b>1,035,445,306</b>	<b>113,062,009</b>	<b>475,181</b>	<b>1,148,982,496</b>
Cash and cash equivalents	20,002,406	-	-	20,002,406
Due From CBE	44,422,921	54,962,093	13,740,512	113,125,526
Due From Local Banks	7,243,880	-	-	7,243,880
Due From Foreign Banks	83,741,189	-	-	83,741,189
Financial Investment securities	260,318,470	268,915,084	84,359,854	613,593,408
Loans & Overdraft	508,075,341	28,916,525	9,268,369	546,260,235
<b>Total financial assets</b>	<b>923,804,207</b>	<b>352,793,702</b>	<b>107,368,735</b>	<b>1,383,966,644</b>

**Dec. 31, 2024**

	<u>1 year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
<b>Financial liabilities</b>				
Due to banks	2,034,885	-	-	2,034,885
Due to customers	780,697,776	191,347,017	551,165	972,595,958
Other loans	23,305,782	656,607	-	23,962,389
Issued Debt Instruments	-	5,067,781	-	5,067,781
<b>Total liabilities</b>	<b>806,038,443</b>	<b>197,071,405</b>	<b>551,165</b>	<b>1,003,661,013</b>
Cash and cash equivalents	21,752,997	-	-	21,752,997
Due From CBE	99,901,893	91,610,577	22,902,625	214,415,095
Due From Local Banks	101,775,461	-	-	101,775,461
Due From Foreign Banks	69,417,301	-	-	69,417,301
Financial Investments securities	216,864,993	155,241,888	31,087,073	403,193,954
Loans & Overdraft	346,226,166	36,427,355	9,729,523	392,383,044
<b>Total financial assets</b>	<b>855,938,811</b>	<b>283,279,820</b>	<b>63,719,221</b>	<b>1,202,937,852</b>

### 34.4. Fair value of financial assets and liabilities

#### 34.4.1. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	<u>Book value</u>		<u>Fair value</u>	
	Dec.31, 2025	Dec.31, 2024	Dec.31, 2025	Dec.31, 2024
<b>Financial assets</b>				
Cash and cash equivalents	20,002,406	21,752,997	20,002,406	21,752,997
Balances at the central bank	68,874,046	114,778,023	68,874,046	114,778,023
Gross Due from banks	135,369,231	270,829,834	135,728,710	271,686,961
Gross loans and advances to banks	34,781,349	9,863,221	34,973,479	9,697,155
Gross loans and advances to customers	546,260,235	392,383,044	547,716,929	393,639,159
<b>Financial investments</b>				
Financial Assets at amortized cost	237,064,800	168,118,219	239,799,649	167,909,234
<b>Total financial assets</b>	<b>1,042,352,067</b>	<b>977,725,338</b>	<b>1,047,095,219</b>	<b>979,463,529</b>
<b>Financial liabilities</b>				
Due to banks	3,353,746	2,034,885	3,353,737	2,034,931
Due to customers	1,110,395,693	972,595,958	1,113,464,143	976,291,471
Issued debt instruments	4,761,558	5,067,781	4,770,103	5,076,291
Other loans	30,471,499	23,962,389	30,886,741	24,242,886
<b>Total financial liabilities</b>	<b>1,148,982,496</b>	<b>1,003,661,013</b>	<b>1,152,474,724</b>	<b>1,007,645,579</b>

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

#### 34.4.2 Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

##### Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2025:

According to IFRS 13, There are 3 levels:

Level 1 - Quoted prices in active markets for the same instrument (i.e: without modification or repacking);

Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3 - Valuation techniques for which any significant input is not based on observable market data.

The cash flows in relation to loans and advances to customers and Due to customers are discounted at the effective interest rate.

Dec.31, 2025	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Valuation techniques (Level 3)</u>	<u>Total</u>
<b>Measured at fair value:</b>				
<b>Financial assets</b>				
Financial Assets at Fair Value through P&L	-	3,173,539	-	3,173,539
Financial Assets at Fair value through OCI (debt)	213,647,980	158,397,233	-	372,045,213
Financial Assets at Fair value through OCI (equity)	750,599	951,882	-	1,702,481
<b>Total</b>	<b>214,398,579</b>	<b>162,522,654</b>	<b>-</b>	<b>376,921,233</b>
<b>Derivative financial instruments</b>				
Financial assets	-	620,349	-	620,349
Financial liabilities	-	137,802	-	137,802
<b>Financial assets not measured at fair value:</b>				
Financial Assets at amortized cost	239,799,649	-	-	239,799,649
Loans and advances to banks	-	-	34,973,479	34,973,479
Due from banks	-	-	135,728,710	135,728,710
Loans and advances to customers	-	-	547,716,929	547,716,929
<b>Total</b>	<b>239,799,649</b>	<b>-</b>	<b>718,419,118</b>	<b>958,218,767</b>
<b>Financial Liabilities not measured at fair value:</b>				
Other loans	-	30,886,741	-	30,886,741
Issued debt instruments	-	4,770,103	-	4,770,103
Due to banks	-	-	3,353,737	3,353,737
Due to customers	-	-	1,113,464,143	1,113,464,143
<b>Total</b>	<b>-</b>	<b>35,656,844</b>	<b>1,116,817,880</b>	<b>1,152,474,724</b>

Dec.31, 2024	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Valuation techniques (Level 3)</u>	<u>Total</u>
<b>Measured at fair value:</b>				
<b>Financial assets</b>				
Financial Assets at Fair Value through P&L	-	380,769	-	380,769
Financial Assets at Fair value through OCI (debt)	143,220,874	90,301,396	-	233,522,270
Financial Assets at Fair value through OCI (equity)	159,066	1,013,630	-	1,172,696
<b>Total</b>	<b>143,379,940</b>	<b>91,695,795</b>	<b>-</b>	<b>235,075,735</b>
<b>Derivative financial instruments</b>				
Financial assets	-	819,711	-	819,711
Financial liabilities	-	100,571	-	100,571
<b>Financial assets not measured at fair value:</b>				
Financial Assets at amortized cost	167,909,234	-	-	167,909,234
Loans and advances to banks	-	-	9,697,155	9,697,155
Due from banks	-	-	271,686,961	271,686,961
Loans and advances to customers	-	-	393,639,159	393,639,159
<b>Total</b>	<b>167,909,234</b>	<b>-</b>	<b>675,023,275</b>	<b>842,932,509</b>
<b>Financial Liabilities not measured at fair value:</b>				
Other loans	-	24,242,886	-	24,242,886
Issued debt instruments	-	5,076,291	-	5,076,291
Due to banks	-	-	2,034,931	2,034,931
Due to customers	-	-	976,291,471	976,291,471
<b>Total</b>	<b>-</b>	<b>29,319,177</b>	<b>978,326,402</b>	<b>1,007,645,579</b>

There have been no transfers between level 1 and 2. The fair values of on-balance sheet financial instruments, except for other investments held at amortised cost and financial investment at amortized cost which are carried at amortised cost, are not significantly different from the carrying values included in the consolidated financial statements. The fair values of loans and advances, commission bearing customers' deposits, due from and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the consolidated financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and for the short duration of due from and due to banks. The estimated fair values of investments held at amortised cost are based on quoted market prices when available or pricing models when used in the case of certain fixed rate bonds respectively. The fair values of these investments are also disclosed in note 33.4.2.

The value obtained from the relevant valuation models may differ, with the transaction price of a financial instrument. The difference between the transaction price and the model value is commonly referred to as 'day-one profit or loss'. It is either amortized over the life of the transaction, deferred until the instrument's fair value can be determined using market observable data, or realized through disposal. Subsequent changes in fair value are recognized immediately in the statement of consolidated income without reversal of deferred day-one profits or losses.

The valuation of each publicly traded investment is based upon the closing market price of that stock as of the valuation date, less a discount if the security is restricted.

Unrealized private investments are valued at each reporting date using a combination of three methods:

- (i) a comparable public market valuation ;
- (ii) a comparable acquisition valuation;
- (iii) a discounted cash flow analysis.

The relative weightings applied to each valuation method reflect the manager's judgment as to the relative applicability and strength of each valuation approach to the specific unrealized investment. Differences under the methods are reconciled through a variety of quantitative analysis and qualitative factors, as required.

### 34.5 Capital Management

For capital management purposes, the Bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.

The required data is submitted to the Central Bank of Egypt on a monthly basis.

#### Central Bank of Egypt requires the following:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid-in capital has reached EGP 33.8 billion.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and operational risk). While taking into consideration the conservation buffer, and D-SIBs required by CBE.

#### **The numerator of the capital adequacy ratio consists of the following two segments:**

##### **Tier one:**

Tier one comprises of paid-in capital, retained earnings and reserves resulting from the distribution of profits (except the banking risk reserve), interim profits, fair value through other comprehensive income reserve and deducting some items such as previously recognized goodwill, any retained losses and deferred tax assets

##### **Tier two:**

Tier two consists of stage one of Expected Credit Loss (ECL) for debt instrument, loans and credit facilities capped by 1.25% risk weighted assets and contingent liabilities, subordinated loans/deposits (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for the investments in subsidiaries and associates.

When calculating the numerator of capital adequacy ratio, total amount of subordinated loans (deposits) should not exceed 50 % of Tier 1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into consideration the cash collaterals and guarantees according to CBE regulations. Similar criteria are used for off balance sheet items after applying conversion factors to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

The tables below summarize the compositions of capital base, capital adequacy ratio and leverage ratio .

#### 34.5.1 Capital Adequacy Ratio

	Dec.31, 2025	Dec.31, 2024
<b>Tier 1 capital</b>		
Issued and Paid-in Capital	33,779,361	30,431,580
Reserves	94,853,160	64,928,142
Retained Earnings (Losses)	20,231,006	1,549,380
Total deductions from common equity tier 1 capital	(2,684,971)	(2,849,288)
Net profit for the year	40,257,342	40,451,671
<b>Total qualifying tier 1 capital</b>	<b>186,435,898</b>	<b>134,511,485</b>
<b>Tier 2 capital</b>		
Subordinated Loans	25,581,480	19,911,465
*Expected Credit Losses for loans, Credit facilities, contingent liabilities and debt instruments - stage 1	9,073,673	7,413,006
<b>Total qualifying tier 2 capital</b>	<b>34,655,153</b>	<b>27,324,471</b>
<b>Total qualifying capital base</b>	<b>221,091,051</b>	<b>161,835,956</b>
<b>Risk weighted assets and contingent liabilities</b>		
Total credit risk	726,170,603	593,351,983
Total market risk	5,270,678	14,158,820
Total operational risk	74,032,267	63,467,763
RWAs for Top50 Overlimit	5,593,451	-
<b>Total</b>	<b>811,066,999</b>	<b>670,978,566</b>
<b>**Capital adequacy ratio (%)</b>	<b>27.3%</b>	<b>24.1%</b>

\* Not more than 1.25% of total assets and contingent liabilities weighted by credit risk weights.

\*\* Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.

#### 34.5.2 Leverage ratio

	Dec.31, 2025	Dec.31, 2024
<b>Total qualifying tier 1 capital</b>	<b>186,435,898</b>	<b>134,511,485</b>
<b>On-balance sheet items and derivatives</b>	<b>1,452,393,323</b>	<b>1,226,683,110</b>
<b>Off-balance sheet items</b>	<b>197,593,276</b>	<b>172,364,998</b>
<b>Total exposures</b>	<b>1,649,986,599</b>	<b>1,399,048,108</b>
<b>Leverage ratio*</b>	<b>11.3%</b>	<b>9.6%</b>

\*Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 14 July 2015.

For December 2025 NSFR ratio record 186% (LCY 186% and FCY 186%), and LCR ratio record 555% (LCY 549% and FCY 567%).

For December 2024 NSFR ratio record 238% (LCY 239% and FCY 236%), and LCR ratio record 1037% (LCY 1709% and FCY 403%).

### 35. Segment analysis

#### 35.1. By business segment

The Bank is divided into the following business segments:

- Corporate banking & SME's: This includes current account activities, deposits, overdrafts, loans, credit facilities, and financial derivatives to large, medium, and small entities, currency and derivative products.
- Investment : Incorporating financial instruments, structured financing, corporate leasing, merger and acquisitions information.
- Retail banking: incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.

Dec.31, 2025	<u>Corporate banking</u>	<u>SME's</u>	<u>Investment banking</u>	<u>Retail banking</u>	<u>Total</u>
Net interest income	59,066,361	8,688,116	18,449,159	21,274,795	107,478,431
Net fee and commission income	5,066,462	745,230	1,582,490	1,824,861	9,219,043
Net trading income	837,344	123,166	261,541	301,598	1,523,649
Other revenue	551,008	81,048	172,105	198,465	1,002,626
<b>Total segment revenue</b>	<b>65,521,175</b>	<b>9,637,560</b>	<b>20,465,295</b>	<b>23,599,719</b>	<b>119,223,749</b>
Net impairment Released (charge)	12,961,826	(301,324)	(146,649)	(709,067)	11,804,786
Reportable segment profit before tax	56,727,092	7,007,453	22,428,142	18,640,701	104,803,388
Tax	(16,688,993)	(1,841,524)	(5,894,005)	(4,898,684)	(29,323,206)
<b>Reportable segment assets</b>	<b>733,209,494</b>	<b>14,750,500</b>	<b>608,576,192</b>	<b>88,950,313</b>	<b>1,445,486,499</b>
<b>Reportable segment liabilities</b>	<b>483,376,189</b>	<b>89,202,088</b>	<b>-</b>	<b>648,482,164</b>	<b>1,221,060,441</b>
Letters of guarantee	261,709,784	13,017,485	-	-	274,727,269
Letters of credit	12,783,539	144,954	-	-	12,928,493
Customers' acceptances	10,605,571	120,258	-	-	10,725,829
<b>Total contingent liabilities and commitments</b>	<b>285,098,894</b>	<b>13,282,697</b>	<b>-</b>	<b>-</b>	<b>298,381,591</b>

Dec.31, 2024	<u>Corporate banking</u>	<u>SME's</u>	<u>Investment banking</u>	<u>Retail banking</u>	<u>Total</u>
Net interest income	54,590,414	7,278,722	10,918,083	18,196,805	90,984,024
Net fee and commission income	4,251,132	566,818	850,226	1,417,044	7,085,220
Net trading income	12,282,138	1,637,618	2,456,428	4,094,046	20,470,230
Other revenue	381,958	50,928	76,392	127,320	636,598
<b>Total segment revenue</b>	<b>71,505,642</b>	<b>9,534,086</b>	<b>14,301,129</b>	<b>23,835,215</b>	<b>119,176,072</b>
Impairment charge for credit losses	(3,034,731)	(922,041)	243,947	(1,688,483)	(5,401,308)
Reportable segment profit before tax	32,706,099	6,903,774	18,423,485	13,464,670	71,498,028
Tax	(10,874,363)	(1,959,882)	(5,189,025)	(3,855,676)	(21,878,946)
<b>Reportable segment assets</b>	<b>724,775,722</b>	<b>11,740,156</b>	<b>402,804,692</b>	<b>77,518,108</b>	<b>1,216,838,678</b>
<b>Reportable segment liabilities</b>	<b>438,569,906</b>	<b>91,318,692</b>	<b>-</b>	<b>539,977,158</b>	<b>1,069,865,756</b>
Letters of guarantee	245,768,953	12,224,586	-	-	257,993,539
Letters of credit	18,964,727	215,043	-	-	19,179,770
Customers' acceptances	11,798,825	133,788	-	-	11,932,613
<b>Total contingent liabilities and commitments</b>	<b>276,532,505</b>	<b>12,573,417</b>	<b>-</b>	<b>-</b>	<b>289,105,922</b>

### 35.2 . By geographical segment

	Greater Cairo	Alex, Delta & Sinai	Upper Egypt	Outside Egypt (CIB Kenya)	Total
<b>Dec.31, 2025</b>					
Revenue according to geographical segment	95,243,181	16,491,528	5,693,358	1,795,682	119,223,749
Expenses according to geographical segment	(9,206,588)	(3,405,799)	(660,218)	(1,147,756)	(14,420,361)
<b>Profit before tax</b>	<b>86,036,593</b>	<b>13,085,729</b>	<b>5,033,140</b>	<b>647,926</b>	<b>104,803,388</b>
Tax	(24,380,482)	(3,438,866)	(1,322,685)	(181,173)	(29,323,206)
<b>Profit for the year</b>	<b>61,656,111</b>	<b>9,646,863</b>	<b>3,710,455</b>	<b>466,753</b>	<b>75,480,182</b>
<b>Total assets</b>	<b>1,340,497,198</b>	<b>76,526,322</b>	<b>19,497,341</b>	<b>8,965,638</b>	<b>1,445,486,499</b>
<b>Dec.31, 2024</b>					
Revenue according to geographical segment	103,235,024	11,407,670	3,846,253	687,125	119,176,072
Expenses according to geographical segment	(42,109,377)	(2,957,601)	(1,572,442)	(1,038,624)	(47,678,044)
<b>Profit before tax</b>	<b>61,125,647</b>	<b>8,450,069</b>	<b>2,273,811</b>	<b>(351,499)</b>	<b>71,498,028</b>
Tax	(18,931,679)	(2,398,852)	(645,502)	97,087	(21,878,946)
<b>Profit for the year</b>	<b>42,193,968</b>	<b>6,051,217</b>	<b>1,628,309</b>	<b>(254,412)</b>	<b>49,619,082</b>
<b>Total assets</b>	<b>1,129,726,955</b>	<b>64,483,232</b>	<b>15,907,339</b>	<b>6,721,152</b>	<b>1,216,838,678</b>

## 36 . Contingent liabilities and commitments

### 36.1 . Legal claims

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken.

The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At year-end, the Bank had several unresolved legal claims.

- There is a number of existing cases against the bank on December 31, 2025 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created.

### 36.2 . Capital commitments

#### 36.2.1 . Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 101,979 thousand as follows:

Financial Assets at fair value through Other comprehensive income	Investments' value	Paid	Remaining
<b>Dec.31, 2025</b>	<b>776,712</b>	<b>674,733</b>	<b>101,979</b>
<b>Dec.31, 2024</b>	<b>508,388</b>	<b>505,211</b>	<b>3,177</b>

#### 36.2.2 . Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets contracts and branches constructions that have not been implemented till the date of financial statement amounts to:

Dec.31, 2025	Dec.31, 2024
<b>633,158</b>	439,730

### 36.3 . Letters of credit, guarantees and other commitments

	Dec.31, 2025	Dec.31, 2024
Letters of guarantee	274,727,269	257,993,539
Letters of credit (import and export)	12,928,493	19,179,770
Customers' acceptances and other contingent liabilities	10,725,829	11,932,613
<b>Total</b>	<b>298,381,591</b>	<b>289,105,922</b>

	Dec.31, 2025	Dec.31, 2024
Credit facilities commitments	<b>6,664,876</b>	6,621,138

### 37 . Related party disclosures

	<u>Dec.31, 2025</u>		<u>Dec.31, 2024</u>	
	<u>Outstanding balance</u>	<u>Income (expense)</u>	<u>Outstanding balance</u>	<u>Income (expense)</u>
Loans, advances and other assets	4,940,177	352,885	1,613,758	177,547
Deposits and other liabilities	1,279,549	(44,502)	1,040,021	(46,966)

	<u>Dec.31, 2025</u>			
	<u>Fees &amp; Interest from</u>	<u>Fees &amp; Interest to</u>	<u>Amounts owed by</u>	<u>Amounts owed to</u>
Al Ahly computer	15	-	-	1,835
TCA	-	-	-	-

	<u>Dec.31, 2024</u>			
	<u>Fees &amp; Interest from</u>	<u>Fees &amp; Interest to</u>	<u>Amounts owed by</u>	<u>Amounts owed to</u>
Al Ahly computer	31	4	-	1,026
TCA	137,458	-	731,737	36,521

#### Terms and conditions of transactions with related parties

The above-mentioned outstanding balances arose from the ordinary course of business. The interest rates charged to and by related parties are at normal commercial rates. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables.

### 38 . Tax status

#### First: Corporate Income Tax

- Settlement of corporate income tax since the start of activity till 2023.
- The yearly Income tax return is submitted at the legal dates.

#### Second: Personal Income Tax

Settlement of salary tax since the start of activity till 2022.

- **Third: Stamp Duty Tax**

Settlement of Stamp Duty tax since the start of activity till 2023.

### 39 . Non-Controlling Interest

	Dec.31, 2025	Dec.31, 2024
Damietta Shipping	27,762	182,938
CIFC	103	95
C-Ventures	11	11
<b>Total</b>	<b>27,876</b>	<b>183,044</b>

### 40 . Important events

During 2025, the Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided to cut the CBE's overnight deposit rate, overnight lending rate, and the rate of the main operation to 20 percent, 21 percent, and 20.50 percent, respectively. The Committee also decided to cut the discount rate to 20.50 percent, which may affect the bank's policies in pricing current and future banking products.

During 2025, CIB obtained Subordinated Debt of USD 150 million from the International Finance Corporation (IFC).

During 2025, the bank increased the capital of Commercial International for Finance Company (CIFC) by EGP 140 million following the receipt of the necessary internal and regulatory approvals.

During 2025, the bank increased the capital of Commercial International Bank (CIB) Kenya by USD 8.2 million following the receipt of the necessary internal and regulatory approvals.

### 41 . Main currencies positions\*

	Dec.31, 2025	Dec.31, 2024
	Equivalent in EGP	Equivalent in EGP
Egyptian pound	(1,901,853)	(14,226,881)
US dollar	5,226,995	13,411,452
Sterling pound	7,535	21,656
Japanese yen	267	(2,178)
Swiss franc	2,083	672
Euro	(4,157,524)	725,040
Saudi Riyal	33,797	(35,349)

\* Based on separate financial statement.

## 42 . Mutual funds

### Osoul fund

- The bank established CIB investment monetary fund with an accumulated return - Osoul in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.331 regulatory authority on issued from financial February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 15,402,154 with redeemed value of EGP 15,108,589.
- The market value per certificate reached EGP 980.94 on December 31, 2025.
- The Bank's portion is 237,112 certificates with a redeemed value of EGP 232,593.

### Istethmar fund

- The bank established CIB investment fund the second with accumulated return in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.344 issued from financial regulatory authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 1,055,648 with redeemed value of EGP 872,641.
- The market value per certificate reached EGP 826.64 on December 31, 2025.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 41,332.

### Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual in accordance with the provisions of the Capital Market Law 95 of 1992 fund under license no.365 issued from financial regulatory authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 1,053,109 with redeemed value of EGP 426,067.
- The market value per certificate reached EGP 404.58 on December 31, 2025.
- The Bank's portion is 32,596 certificates with a redeemed value of EGP 13,188.

### Hemaya fund

- The bank established CIB investment fund the fourth -Hemaya with accumulated return in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.585 issued from financial regulatory authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 79,407 with redeemed value of EGP 54,099.
- The market value per certificate reached EGP 681.29 on December 31, 2025.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 34,065.

### Thabat fund

- The bank established CIB quarterly return fund for investing in debt instruments -Thabat in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.613 issued from financial regulatory authority on December 28, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 238,369 with redeemed value of EGP 135,770.
- The market value per certificate reached EGP 569.58 on December 31, 2025.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 28,479.

### Takamol fund

- The bank established CIB accumulated fund -Takamol in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.706 issued from financial regulatory authority on May 26, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 284,595 with redeemed value of EGP 197,350.
- The market value per certificate reached EGP 693.44 on December 31, 2025.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 34,672.

**43 . Non-current assets held for sale**

	Dec.31, 2025	Dec.31, 2024
Cash	59,657	-
Financial Assets at Fair Value through OCI	115,405	-
Other assets	4,606	-
Deferred tax assets	164	-
Property and equipment	2,995	-
<b>Total</b>	<b>182,827</b>	<b>-</b>

**44 . Non-current liabilities held for sale**

	Dec.31, 2025	Dec.31, 2024
Other liabilities	1,242	1,079
Deferred tax liabilities	50,973	-
Other provisions	1,645	318
<b>Total</b>	<b>53,860</b>	<b>1,397</b>

**45 . Comparative figures**

In the prior year the bank classified the ECLs' charge for the year related to the loan commitments and letters of credits within the other operating expenses line item in the income statement.

In the current year the bank reclassified the said charge with a total amount of EGP 877 million and presented it within the impairment charges line item in the income statement for the year ended December 31, 2024 in order to reflect the total ECL charges for credit losses in one line item.

The above presentation change has no impact on the consolidated statements of financial position, other comprehensive income, changes in equity, or cash flows.

**46 . Subsequent events**

- The bank increased the capital of Commercial International for Finance Company (CIFC) by EGP 100 million in January 2026 following the receipt of the necessary internal and regulatory approvals.

